

School legislation.

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SCHOOL LEGISLATION

ENACTED BY THE

GENERAL ASSEMBLY OF NORTH CAROLINA

REGULAR SESSION 1927

REGULAR SESSION 1925

and

EXTRA SESSION 1924



PUBLISHED BY THE
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
RALEIGH, N. C.



INTRODUCTORY NOTE

The General Assembly of 1923 revised and codified the public school laws relating to the county and other local school officials. This codification, chapter 136, Public Laws 1923, together with those laws defining the powers and duties of the State Board of Education and the State Superintendent of Public Instruction that were not changed and other public school laws enacted by the General Assembly of 1923, were printed in bulletin form and made available for distribution.

Since these laws were printed, certain new laws have been enacted and many sections of the Code of 1923 and the Consolidated Statutes have been amended by the General Assemblies of Extra Session 1924, Sessions 1925 and 1927. These sections of the code that have been amended, together with the new laws in effect now, are printed herewith in pamphlet form. This pamphlet, therefore, and the publication referred to above, contain the complete school law now in effect in the State.

A. T. Allen

State Superintendent of Public Instruction.

March 18, 1927.

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CONTENTS

I. Since the school code of 1923 was enacted the following special acts relating to education have been enacted:

	PAGE
An act to provide for the distribution of the Equalizing Fund for certain counties (1927, c. —)	7
An act to appoint the boards of education in the respective counties in North Carolina (1927, c. —)	10
An act to provide a Special Building Fund to be loaned to county boards of education to aid in erecting schoolhouses (1927, c. —)	15
An act to ratify and validate enlargements of special charter school districts and the voting of bonds therein under certain circumstances (1927, c. —)	20
An act to provide for the creation of school districts (1927, c. —)	21
An act establishing "The Old North State" as the State's official song for North Carolina (1927, c. —)	23
An act to provide for giving publicity to highway traffic laws through the public schools (1927, c. —)	24
An act to provide for fire drills in the public schools in North Carolina (1925, c. 130)	25
An act to protect school children riding in public school busses upon the public roads and highways of the State (1925, c. 265)	26
An act to regulate the speed of busses carrying school children (1925, c. 297)	26
An act to provide for the recording in the office of the State Auditor statements concerning bonds and notes of counties, townships, school districts, municipal corporations, and taxing districts, and making effectual the means of payment provided for said counties and to provide for supervision of such means by the State Auditor, and making noncompliance with certain parts of this act a misdemeanor and violation of certain parts thereof a felony and providing penalties and repealing chapter 100, Public Laws of 1925 (1927, c. —)	26
An act to provide for requisition in the name of the owner of bonds of counties, cities, towns, school districts, and school taxing districts (1925, c. —)	30
An act to authorize disbursing officers of counties, cities, towns, townships, school districts, and school taxing districts to pay and to contract to pay fiscal agency fees for the payment of bonds and coupons (1925, c. 195)	31
An act to provide for the administration of the fiscal affairs of counties....	31
An act to provide for the issuance of bonds and notes of counties, and for property taxation for the payment thereof, with interest.....	39

II. The following sections of the school code of 1923 have been amended:

Section 8. A standard high school defined (C. S. III, 5392; 1927, c. —, s. 1).....	54
Section 56. Authority of commissioners to borrow (C. S. III, 5464; 1927, c. —, s. 18).....	54

p15284

	PAGE
Section 58. How school funds shall be disbursed (C. S. III, 5466; 1927, c. —, s. 20)	54
Section 60. The erection of schoolhouses (C. S. III, 5468; 1925, c. 221)	55
Section 61. Condemnation of school sites (C. S. III, 5469; Extra Session 1924, c. 121, s. 1)	55
Section 64. County boards may aid charter districts in the erection of schoolhouses (C. S. III, 5472; 1925, c. 180, s. 1)	56
Section 73-a. The county-wide plan (C. S. III, 5481; Extra Session 1924, c. 121, s. 2)	56
Section 79. Changing boundaries of special charter districts (C. S. III, 5487; 1925, c. 150, s. 1)	58
Section 172-218. Part VI of the school code of 1923 pertaining to the revenue for the public schools rewritten and amended (C. S. III, 5585-5636; 1927, c. —)	58
Section 220. Petition for local tax elections (C. S. III, 5640; 1925, c. 143, s. 1)	73
Section 223. Increasing local tax rates in charter and local tax districts (C. S. III, 5643; 1925, c. 143, s. 2)	74
Section 226. Enlargement of districts (C. S. III, 5646; 1927, c. —, ss. 1, 2)	74
Section 230. Enlarging boundaries of districts within an incorporated city of town (C. S. III, 5650; 1925, c. 143, s. 3)	74
Section 232. Joint districts (C. S. III, 5651; Extra Session 1924, c. 32, s. 1)	76
Section 236. Petition for election in special school taxing districts (C. S. III, 5657; 1927, c. —, s. 1)	78
Section 245. Local tax rates under county-wide special tax (C. S. III, 5666; 1925, c. 180, s. 2)	78
Section 257. Bond elections (C. S. III, 5669; Extra Session 1924, c. 121, s. 3)	79
Section 263. Bond elections in special charter districts (C. S. III, 5675; Extra Session 1924, c. 121, ss. 4, 5; 1927, c.—, s. 1)	79
Section 271. Commissioners may borrow for building without vote of people (Extra Session 1924, c. 120; 1925, c. —; 1927, c. —)	80
Section 347. Compulsory attendance (C. S. III, 5757; 1925, c. 226, s. 1)	81
Section 351. Evidence of compulsory attendance violation (C. S. III, 5761; 1925, c. 226, s. 2)	82
Section 369. Observance of Arbor Day (C. S. III, 5780-p; 1927, c. —, s. 1)	82
Section 378-a. Effect of chapter 95 (the school code) upon local or private bond acts (1925, c. 143, s. 4)	82

III. The following sections of the Consolidated Statutes not included in the code of 1923 have been amended:

Section 3910. Treasurer's commission (C. S. 3910; Extra Session 1924, c. 121, s. 6)	83
Section 5435. Contiguous school census (C. S. III, 5435; 1925, c. 95, s. 1)	83
Section 5446. Children at orphanages (C. S. III, 5446; 1927, c. —, s. 1)	84
Section 5578. Date of teachers' examinations (C. S. III, 5578; 1925, c. 181, s. 3)	84

SCHOOL LEGISLATION

ENACTED BY THE GENERAL ASSEMBLY, SESSIONS OF
1927, 1925 AND EXTRA SESSION 1924

SPECIAL ACTS

AN ACT TO PROVIDE FOR THE DISTRIBUTION OF THE EQUALIZING FUND FOR CERTAIN COUNTIES.

Whereas, the Constitution directs the General Assembly of North Carolina to provide by taxation and otherwise for a general and uniform system of public schools for the State; and

Whereas, there appears to be marked difference in the assessed valuations, the tax rates, and the types of schools in the various counties; and

Whereas, the county commissioners in many counties cannot secure the funds necessary for the support of the six months school term from county revenues alone without making the taxes burdensome and the tax rates grossly unequal among the several counties; and

Whereas, State aid is necessary in order more nearly to equalize both the tax rates for schools and the school advantages in the different counties; therefore,

The General Assembly of North Carolina do enact:

SECTION 1. That the appropriation made under Title IV 5 (2) of Section I in "An Act to Make Appropriations for the Maintenance of the State's Institutions, the Various Departments, Bureaus and Agencies of the State Government" of the sum of three million two hundred and fifty thousand dollars (\$3,250,000) for an Equalizing Fund for the year ending June thirtieth, one thousand nine hundred and twenty-eight, and of the sum of three million two hundred and fifty thousand dollars (\$3,250,000) for an Equalizing Fund for the year ending June thirtieth, one thousand nine hundred and twenty-nine, shall be distributed among the various counties of the State as hereinafter provided.

SEC. 2. That a State Board of Equalization is hereby established, which shall be composed of eleven members, one of whom shall be the Presiding Officer of the Senate and one member from each Congressional District of North Carolina, to be appointed by the Governor and confirmed by the Senate before the adjournment of the Regular Session of the General Assembly for the year one thousand nine hundred and twenty-seven; said members shall serve for a period of four years from the time of their appointment and shall receive as compensation therefor the sum of ten dollars per day and expenses while actually engaged upon the business of the Board. The State Board of Equalization shall have the power to appoint an executive secretary and such assistants as they may deem necessary and shall be provided with

adequate quarters in the Department of Revenue. Said Assistants and employees of said State Board of Equalization shall collect and organize data dealing with the value of property of the several counties of the State. The salary of all employees and members of the Board shall be paid out of the Equalization Fund upon requisition drawn by the State Superintendent of Public Instruction.

SEC. 3. The duties of the State Board of Equalization shall be as follows:

To investigate, study, compare, and determine the true value of all property subject to taxation for each and every county in the State, which value shall be the basis upon which taxes for the six months school term shall be levied and collected, and the basis upon which the Equalizing Fund shall be apportioned. In performing this duty the State Board of Equalization shall have the right to examine all records bearing on this subject in any public office in North Carolina, and it shall be the duty of all public officials in the State and of all owners of property, both individual and corporate, to cooperate with said Board and to give it upon request such information as they may have. The State Board of Equalization shall certify the total value of all property as by it determined of each and every county to the Commissioner of Revenue, to the State Superintendent of Public Instruction, to the State Auditor, and to the board of county commissioners and the county board of education of each county not later than June first of each year, beginning with June first, one thousand nine hundred and twenty-eight.

Said board shall also have authority to make such rules and regulations concerning the time and place of its meetings as it may determine and the right to conduct such hearings as it may deem necessary in the performance of its duties, and for that purpose may issue subpoenas under the hand of its chairman or secretary, compelling the attendance of persons and the production of papers at any time and place designated by said board, and shall also have the right to enforce obedience to its lawful orders.

SEC. 4. Before any county shall participate in the Equalizing Fund for the year ending June thirtieth, one thousand nine hundred twenty-eight, the Board of County Commissioners shall levy and collect by ad valorem tax a net sum equal to the amount which would be raised by a tax of forty cents on each one hundred dollars of valuation as determined by the State Board of Equalization on or before June 1, 1927, as said county's part of the current expenses for the six months school term of 1927-28 in the support of which the State participates. Before any county shall participate in the Equalizing Fund for the year ending June thirtieth, one thousand nine hundred and twenty-nine, the Board of County Commissioners shall levy and collect by ad valorem tax a net sum equal to the amount which would be raised by a tax of forty cents on each one hundred dollars of valuation as determined by the State Board of Equalization on or before June one, one thousand nine hundred and twenty-eight, as said county's part of the current expenses for the six months school term of 1928-29 in the support of which the State participates. This tax shall be levied and collected in the same way and manner that other county taxes are levied and collected and shall be turned over to the treasurer of the school fund of each county.

SEC. 5. For the purpose of making the apportionment of the Equalizing Fund for the year ending June thirtieth, one thousand nine hundred and

twenty-eight, and also for the year ending June thirtieth, one thousand nine hundred and twenty-nine, the State Board of Equalization shall cause to be checked by the State Superintendent of Public Instruction the approved November Budget of the last preceding year of each and every county in accordance with the salaries, actually paid, not in excess, however, of the State salary schedule; and in accordance with the number of teachers employed, not in excess, however, of the number allowed by law; and shall determine therefrom the necessary cost of maintaining the six months school term in each county, including the salaries of teachers, principals and superintendents, and including in addition thereto the actual amount expended for current expense other than salaries, not in excess, however, of fifteen per cent of salaries according to the State salary schedule. The amount due any county from the Equalizing Fund shall be the amount by which the necessary cost of the six months school term as herein calculated exceeds the amount produced by the levy of forty cents on the valuation of said county as determined by the State Board of Equalization as provided in section 4 of this act.

SEC. 6. The payment of the Equalizing Fund to the participating counties may be made in not more than four installments at such times as may be practicable to meet the needs and necessities of the six months term in the various counties. When it shall appear to the State Superintendent of Public Instruction from the November Budget of the current year that any county participating in the Equalizing Fund has provided its part of the necessary cost of maintaining the six months school term, he shall draw his requisition on the State Auditor for the last installment of the county's allotment of the Equalizing Fund.

SEC. 7. It shall be the duty of the State Board of Equalization to set aside out of the Equalizing Fund provided for the school years ending June thirtieth, one thousand nine hundred and twenty-eight, and June thirtieth, one thousand nine hundred and twenty-nine, the sum of one hundred thousand dollars (\$100,000), and to distribute the same among the participating counties as follows:

(a) There may be apportioned to any participating county an additional amount of not exceeding five percent of its estimated salary needs when, in the opinion of the State Board of Equalization, such increase is justified by increased school attendance and growth and improvement of the schools in such county.

(b) The Equalization Board may appropriate an amount not in excess of three thousand dollars (\$3,000) to any participating county when, in the opinion of said Board, such county may have suffered any unforeseen misfortune to an extent sufficient to affect seriously the general revenue of the county.

(c) The State Board of Equalization may appropriate an amount not exceeding two thousand dollars (\$2,000) to any participating county when, in the opinion of the Board, said county has made such efforts for the improvement of its schools through the improvement of its teaching personnel as make it deserving of such aid.

(d) Said Board may also, in case of participating counties whose school terms begin prior to September first in any year, making advances in anticipation of the first payment or distribution to which said counties may be

entitled out of the fund, which advances shall be deducted from the amounts due such counties upon levy and collection of taxes by them as hereinbefore provided. In the event all of the sum herein designated shall not be used for the purposes herein set out, then such unused portion shall be returned to the Equalizing Fund.

SEC. 8. In the event that the Equalizing Fund of three million, two hundred and fifty thousand dollars (\$3,250,000) is not sufficient together with the amount raised by the levy and collection of a forty cent county tax on the valuations determined by the State Board of Equalization and together with those funds required by the Constitution to be placed to the credit of the free public schools of each county to provide a six months school term, exclusive of debt service and capital outlay costs, then it shall be the duty of the State Board of Equalization to ascertain the additional rate necessary to provide that part of the current expense of the six months school term in which the State participates and to notify the county board of education who in turn will notify the board of county commissioners of each participating county; and it is hereby declared the duty of the said board of county commissioners of each participating county to levy the additional tax necessary for this purpose, in no event, however, to exceed five cents on the one hundred dollars of valuation as determined by the State Board of Equalization, and being the same on this determined valuation in all counties.

SEC. 9. Nothing in this act is intended to prevent a county from levying taxes to pay higher salaries than the State salary schedule, or to provide for additional teachers, or to provide funds for bonded indebtedness, interest, buildings, and other operating expenses.

SEC. 10. Each section of this act and this act as a whole shall be so construed as to provide for a fair and equitable distribution of the Equalizing Fund to the end that the burden of support of the six months term may rest equitably upon all the participating counties.

SEC. 11. All laws and clauses of laws in conflict with this act are hereby repealed.

SEC. 12. This act shall be in force from and after its ratification.

Ratified this the 9th day of March, 1927.

1927, c. —.

AN ACT TO APPOINT THE BOARDS OF EDUCATION IN THE RESPECTIVE COUNTIES IN NORTH CAROLINA.

The General Assembly of North Carolina do enact:

SECTION 1. That the hereinafter named persons are appointed members of the County Board of Education for the several counties in the State to fill the vacancies which will occur in the Board of Education of the several counties in the State on the first Monday in April, one thousand, nine hundred and twenty-seven, or to fill the vacancies created by this act, and the following named persons are hereby appointed to the respective Boards of Education of the several counties in the State, for the terms set opposite their names below, to wit:

Alamance: C. P. Albright, E. J. Braxton, W. R. Sellers, J. J. Lambeth, J. E. Sellers, each for the term of two years.

Alexander: J. C. Fortner, for the term of two years.

Alleghany: John C. Halsey, for the term of two years.

Anson: J. L. Little, for the term of six years.

Ashe: A. A. Price and G. C. Green, each for the term of four years.

Avery: M. C. Biggerstaff, for the term of two years; J. M. Phillips, for the term of four years; D. P. Bridges, for the term of six years.

Beaufort: W. J. Justus, Frank W. Cox, each for the term of six years.

Bertie: M. B. Gilliam, R. A. Urquhart, W. A. Tayloe, D. R. Britton, T. A. Smithwick, each for the term of two years.

Bladen: J. Fletcher Council, for the term of four years; L. D. Melvin, for the term of six years.

Brunswick: Frank Galloway, for the term of four years; R. T. Williams, J. L. Stone, each for the term of two years.

Buncombe: James T. Roberts, Albert Teague, Claude L. Felmet, George W. Craig, Marshall West, each for the term of two years.

Burke: J. E. Coulter, A. N. Dale, Will Davis, W. E. McConnaughey, L. F. Brinkley, each for the term of two years.

Cabarrus: G. G. Allen, for the term of six years.

Caldwell: W. J. Lenoir, W. H. Livingstone, each for the term of six years.

Camden: Thomas Whaley, T. B. Godfrey, J. W. Jones, each for the term of two years.

Carteret: W. H. Taylor, for the term of six years.

Caswell: George Oliver, Giles Mebane, N. J. Taylor, each for the term of two years.

Catawba: B. B. Blackwelder, for the term of six years, Dr. Fred T. Foard, C. C. Hewitt, each for the term of four years; Oscar Sherill, for the term of two years; Eli Warlick, for the term of six years.

Chatham: E. R. Hinton, for the term of six years; G. M. Womble, for the term of four years.

Cherokee: Charles B. Hill, Percy B. Ferrebee, T. T. Johnson, each for the term of two years.

Chowan: Thomas W. Elliott, W. D. Welch, each for a term of two years; R. N. Privott, Mrs. Z. W. Evans, each for a term of four years; W. B. Hassell, for a term of six years.

Clay: W. T. Bumgarner, for a term of two years; Mark Weaver, for a term of four years; H. B. Patton, for a term of six years.

Cleveland: W. A. Ridenhour, C. D. Forney, W. D. Lackey, Ivey Willis, J. L. Horde, each for the term of two years.

Columbus: John F. Rogers, R. F. Covington, Glenn F. Holmes, James C. Nye, David Wells, each for the term of two years.

Craven: J. H. Parker, for the term of six years; J. H. West, for the term of four years; J. H. Elliott, for the term of two years.

Cumberland: N. S. McArthur, D. W. Carter, each for the term of six years.

Currituck: W. H. Gallop, Henry G. Dozier, G. C. Boswood, each for the term of two years.

Dare: Samuel A. Griffin, O. C. Fulcher, Calvin E. Payne, A. C. Goard, E. N. Baum, each for the term of two years.

Davidson: C. C. Wrenn, John R. Myers, each for the term of two years.

Davie: Peter W. Hairston, for the term of six years.

Duplin: W. J. Grady, for the term of six years.

Durham: J. D. Hamlin, W. I. Cranford, H. G. Hedrick, J. B. Mason, H. L. Umstead, each for the term of two years.

Edgecombe: George M. Fountain, R. A. Stancil, B. H. Thomas, each for the term of two years.

Forsyth: James Griffith, P. Frank Haynes, George Miller Hinshaw, each for the term of two years.

Franklin: E. L. Green, for the term of six years; Mrs. Mamie Dickens, to succeed T. H. Dickens, deceased, for the term of four years, her appointment to take effect immediately.

Gaston: S. M. Boyce, J. H. Rudisill, C. E. Hutchinson, each for the term of two years.

Gates: J. L. Hofler, J. C. Holland, E. A. Benton, each for the term of two years.

Graham: S. P. Harwood, T. A. Morphew, D. T. Hyde, each for the term of two years.

Granville: E. N. Clement, J. W. Dean, R. S. Hart, S. F. Bullock, J. L. Peed, each for the term of two years.

Greene: J. E. Debnam, W. D. Cobb, L. A. Mewborn, each for the term of two years.

Guilford: C. H. Ireland, for four years; Dred Peacock, for four years; S. E. Coltrane, for four years; William H. Bennett, for two years; D. M. Chrismon, for two years.

Halifax: F. H. Gregory, for a term of two years; W. F. White, for a term of six years; T. M. Jenkins, for the term of four years.

Harnett: H. S. Holloway, D. P. Ray, E. W. Smith, each for the term of two years.

Haywood: D. M. Cagle, W. T. Sharp, Lee V. Rogers, each for the term of two years.

Henderson: J. W. Morgan, for the term of six years.

Hertford: G. C. Picot, W. D. Boone, W. A. Thomas, each for a term of two years.

Hoke: Jesse Gibson, Louis Parker, Laurie McEachern, J. A. Hodgins, E. R. Pickler, each for the term of two years.

Hyde: J. H. Swindell, James S. Mann, William Payne, each for the term of two years.

Iredell: F. B. Gaither, D. E. Turner, D. Lee Morrow, A. L. Mills, W. C. Wooten, each for the term of two years.

Jackson: C. L. Allison, N. D. Davis, each for the term of two years.

Johnston: W. G. Wilson, J. W. Woodard, P. B. Johnson, each for the term of two years.

Jones: J. J. Simmons, for the term of six years.

Lee: J. C. Watson, for the term of six years; D. E. Shaw, for the term of four years; E. R. Buchan, for the term of two years.

Lenoir: W. B. Becton, R. G. Hodges, Thad Turner, D. W. Wood, E. V. Webb, each for the term of two years.

Lincoln: L. A. Yoder, T. N. James, O. F. Howard, each for the term of two years.

Macon: Alex Moore, for the term of six years; Dr. S. H. Lyle, for the term of four years; N. L. Barnard, for the term of two years.

Madison: Fred Halcombe, Lee Ramsey, Wiley M. Roberts, each for a term of four years, and they will assume office from and after the date of the ratification of this act, and their qualification as required by law.

Martin: B. M. Worsley, Nathan Rogers, K. B. Crawford, each for a term of four years; J. A. Getsinger, Henry Norman, each for a term of two years.

McDowell: J. S. Bradley, for the term of six years.

Mecklenburg: W. Banks McClinock, for four years; Julian S. Miller, J. Wilson Alexander, each for the term of six years.

Mitchell: W. B. Young, Deck T. Fortner, S. T. Henry, each for the term of two years.

Montgomery: W. B. Cochran, Chas. J. McLeod, J. J. Russell, each for the term of two years.

Moore: John W. Graham, John R. McQueen, each for the term of six years; S. H. Miller, for the term of four years; C. C. Jones, Dr. J. F. Davis, each for the term of two years.

Nash: F. V. Avant, John W. Roberson, T. A. Avera, each for the term of two years.

New Hanover: Dr. Charles T. Bolles, for the term of six years.

Northampton: W. Harry Stephenson, for the term of six years; E. S. Bowers, for the term of four years; A. L. Lassiter, for the term of two years.

Onslow: J. H. Amen, R. K. Heritage, J. D. Coston, Dan W. Russell, W. Lee Humphrey, each for the term of two years.

Orange: Sterling Browning, M. P. Efland, E. C. Compton, each for the term of two years.

Pamlico: J. L. McCotter, for the term of six years; J. W. Sawyer, for the term of four years; Dr. S. E. McCotter, W. J. Smith, each for the term of two years.

Pasquotank: J. M. LeRoy, for the term of six years.

Pender: C. F. Mallard, for the term of six years.

Perquimans: W. E. Dail, Shelton M. Lang, each for the term of two years; J. H. Baker, for the term of four years.

Person: W. R. Wilkerson, D. S. Brooks, Robert P. Burns, C. G. Reade, O. G. Davis, each for the term of two years.

Pitt: M. O. Blount, for the term of six years.

Polk: Miss Mae I. Flentye, C. G. Feagan, R. O. Andrews, John R. Anderson, each for the term of two years.

Randolph: J. F. Hughes, for the term of two years.

Richmond: Nelson Gibson, for the term of six years.

Robeson: Mrs. W. M. Oliver, Miss Mary McEachern, each for the term of six years.

Rockingham: Eugene Irvin, C. P. Wall, J. L. Roberts, T. B. Wilson, T. J. Garrett, each for the term of two years.

Rowan: J. W. Peeler, Mrs. E. W. Burt, W. Frank Thompson, each for the term of six years.

Rutherford: Plato Gettys, Mrs. C. B. Wiseman, W. W. Nanney, each for the term of two years.

Sampson: Martin D. Jackson, George D. Herring, each for a term of six years.

Scotland: W. N. McKenzie, T. L. Henly, W. G. Shaw, each for a term of two years.

Stanly: A. P. Harris, for a term of six years; Mrs. Belle Ritchie, A. L. Efrid, for a term of four years each; W. A. Hough, W. A. Cagle, each for a term of two years.

Stokes: J. Reid Forest, O. T. Shelton, H. McGee, H. H. Leake, J. W. Priddy, each for a term of two years.

Surry: John D. Thompson, J. J. Richards, W. R. Badgett, J. F. Carter, T. M. Marsh, each for a term of two years.

Swain: S. E. Varner, for a term of six years; George H. Tabor, for a term of four years; J. H. Coffey, for a term of two years.

Transylvania: J. S. Broomfield, for a term of six years; C. F. Woodfin, for a term of four years; C. R. Sharp, for a term of two years.

Tyrrell: W. S. Carawan, J. R. Pledger, C. Z. Sawyer, each for a term of two years.

Union: Luther E. Huggins, W. D. Hawfield, B. F. Parker, W. M. Gordon, T. L. Price, to succeed the present Board, whose terms of office are vacated, each to serve for a term of two years.

Vance: J. E. Kimball, R. L. Bennett, each for a term of four years; E. T. Woodlief, Mark H. Stone, A. J. Parrott, each for a term of two years.

Wake: Needham Y. Gulley, M. B. Chamblee, Dr. W. C. Riddick, each for a term of two years.

Warren: Miss Amma D. Graham, Jesse Gardner, J. King Pinnell, Stanley W. Powell, J. D. Riggan, each for the term of two years.

Washington: W. R. Hampton, H. H. Bateman, W. B. Davenport, each for a term of two years.

Watauga: W. F. Sherwood, D. D. Daugherty, B. T. Taylor, each for a term of two years.

Wayne: A. H. Edgerton, for a term of six years.

Wilkes: C. C. Faw, J. H. Pennell, T. M. Brown, each for a term of two years.

Wilson: Doane Herring, J. H. Thompson, R. L. Barnes, each for a term of six years.

Yadkin: M. V. Fleming, T. J. Phillips, H. D. Williams, each for a term of two years.

SEC. 2. The members appointed under this act, except as in this act otherwise provided, shall qualify by taking the oath of office on or before the first Monday in April, one thousand nine hundred and twenty-seven, and they shall elect a County Superintendent of Education before the fifteenth of April, one thousand nine hundred and twenty-seven.

SEC. 3. All laws in conflict with this act are hereby repealed.

SEC. 4. This Act shall be in force from and after the date of its ratification. Ratified this 9th day of March, 1927.

1927, c. ---.

AN ACT TO PROVIDE A SPECIAL BUILDING FUND TO BE LOANED TO COUNTY BOARDS OF EDUCATION TO AID IN ERECTING SCHOOL-HOUSES.

Whereas, the General Assembly of North Carolina, at the regular session of one thousand nine hundred and twenty-one, by the enactment of chapter 147, Public Laws of one thousand nine hundred and twenty-one, in order to aid the counties in the erection of a larger and more permanent type of rural school, created a special building fund of five million dollars, all of which, supplemented by another five million from the counties, is now in common school buildings in every county of the State; and

Whereas, the General Assembly of North Carolina, article 25, chapter 136, Public Laws of one thousand nine hundred and twenty-three, created a second special building fund of five million dollars, to be loaned to the county boards of education from and after January first, one thousand nine hundred and twenty-four; and

Whereas, the General Assembly of North Carolina, chapter 201, Public Laws of one thousand nine hundred and twenty-five, created a third special building fund of five million dollars to be loaned to the county boards of education from and after January first, one thousand nine hundred and twenty-six; and

Whereas, the State Board of Education received applications from county boards of education for loans from this fund to the amount of more than seven million dollars, from which applications the State Board of Education approved loans for the full amount authorized, and has actually lent the entire five million dollars to the county boards of education for definite and fully described projects, most of which were complete by December, one thousand nine hundred and twenty-six, and are now being used as school-houses; and

Whereas, eighty-six counties estimate their urgent building needs for the next biennium to be eight million dollars; and

Whereas, counties may obtain money for building purposes at a lower interest rate than by local bonds, thereby saving interest charges: Now, therefore,

The General Assembly of North Carolina do enact:

SECTION 1. That for the purpose of providing "a special building fund," to be loaned to the county boards of education for maintaining a six months school term, the Treasurer is authorized and directed to issue bonds of the State of North Carolina, payable in the manner and on the date hereinafter described, to an amount not to exceed two million five hundred thousand dollars (\$2,500,000). All of said bonds shall bear interest at a rate not to exceed four and one-half ($4\frac{1}{2}$) per cent per annum, payable semiannually on the first days of January and July of each year, and the said bonds shall bear date as of the first day of January of each and every year in which they may be issued, under the provisions of this act.

(a) *Special building fund a separate fund.* That the proceeds from the sale of these bonds shall be a separate fund in the hands of the State Treasurer and shall be kept distinct from all other funds of the State. The funds shall be paid out upon the warrant of the State Auditor, but no warrant shall be issued by the Auditor except upon the requisition of the State Superintendent of Public Instruction, with the approval and at the direction of the State Board of Education. The bank or banks in which any money belonging to this fund is deposited by the State Treasurer shall be required to pay interest on monthly balances on said money at the rate of three per cent per annum, and all such money so collected shall be credited monthly by the State Treasurer to this fund.

(b) *State Board of Education authorized to make loans.* That the State Board of Education, under such rules and regulations as it may deem advisable, not inconsistent with the provisions of this chapter, may make loans from "The Special Building Fund" to the county board of education of any county for building, equipping and repairing public school buildings, dormitories, teacherages, and for the purchase of suitable sites: *Provided*, that no loan shall be made from this fund until the application for said loan has been made by the county board of education and approved by the county commissioners, nor until said commissioners shall certify that the loan is necessary to maintain a six months school term: *Provided, further*, that no loan shall be made from this fund for erecting or repairing any school building containing less than seven rooms, nor shall any building be erected in whole or in part from funds borrowed from the State unless the plans for said building shall have been approved by the State Superintendent of Public Instruction.

(c) The first four installments paid back to the State by the counties, as contemplated in this act, are hereby declared to be a part of the special building fund and may, in the discretion of the State Board of Education, be loaned to the counties on the same terms and in accordance with the same rules as provided for an original loan.

SEC. 2. Loans to county boards of education made under the provisions of this act shall be payable in twenty equal installments, shall bear interest payable annually in advance at the same rate that the State had to pay on the bonds issued under this act for securing "The Special Building Fund," and said loans shall be evidenced by the note or notes of the county board of education, executed by the chairman and secretary thereof, and deposited with the State Treasurer. The first installment of such loan, together with the interest on the balance of the principal remaining unpaid, shall be paid

by the county board of education on or before the fifteenth day of December subsequent to the making of such loan, and the remaining installments, together with the interest, shall be paid, one each year, on the fifteenth day of December of each subsequent year until all shall have been paid: *Provided*, if at the end of any five-year period it shall appear the earnings of said fund are more than sufficient to retire said bonds the State Board may direct the State Treasurer to transfer such surplus to the State literary fund, and after all bonds are retired any balance remaining shall be turned over to the State literary fund.

SEC. 3. The county board of education shall provide in its May budget for a special tax, to be styled "A Special Building Fund Tax," sufficient to repay the annual installment together with the interest due, and shall issue its order upon the treasurer of the county school fund and therefor, who, prior to the fifteenth day of December, shall pay over to the State Treasurer the amount then due. Any amount loaned under the provisions of this act shall be a lien upon the total school fund of such county, in whatsoever hands such funds may be; and if the board of county commissioners fail to provide for a sufficient tax for the fund for the repayment of notes, loans and bonds to pay the loans and interest when due, so long as any part of said loan and interest are due, the board of county commissioners shall borrow the money in order that the six months school term may be maintained in accordance with the Constitution. Upon failure of any county to pay any installment or interest, or part of either, when due, the State Treasurer may deduct a sufficient amount for the payment of the same out of any fund due such county from any special State Appropriation for public schools, and if the amount necessary to conduct a six months school term has been decreased thereby, thus making it impossible to provide the funds for a six months term in every district in said county in accordance with law and the Constitution, the county commissioners shall borrow the amount necessary to meet the deficit caused thereby.

The State Treasurer may bring action against the county board of education of such county, or against any person in whose possession may be any part of the school funds of the county, or against the tax collector of such county; and if the amount of school fund then on hand be insufficient to pay in full the sum so due, then the State Treasurer shall be entitled to an order directing the tax collector of such county to pay over to the State Treasurer all moneys collected for school purposes until such debt and interest shall have been paid: *Provided*, this lien shall not lie against taxes collected to pay interest and principal on bonds issued by the authorities of any county or any district.

SEC. 4. That the State Board of Education shall approve all applications for loans and the amount to be loaned to each county. When said board has received and approved applications for loans in an amount of not less than five hundred thousand dollars (\$500,000), the State Board of Education shall direct the State Treasurer to sell, and he shall sell, in accordance with the provisions of this article, North Carolina bonds to provide funds for making the loans in accordance with the applications approved: *Provided*, that whenever applications are received and approved, in accordance with the provisions of this article, if the State Board of Education shall deem it unwise to sell bonds at that time, the State Treasurer, by and with the consent of the

Governor and the Council of the State, is hereby authorized to borrow money at the lowest rate of interest obtainable, in anticipation of the sale of the bonds herein authorized, and for the purposes for which said bonds are authorized. The State Treasurer shall execute and issue notes of the State for the money so borrowed, and he is hereby authorized to renew any such notes from time to time by issuing new notes. The rate of interest, the date of payment of said notes or renewals, and all matters and details in connection with the issuance and sale thereof shall be fixed and determined by the Governor and Council of State. Such notes when issued shall be entitled to all privileges, immunities and exemptions that the bonds authorized to be issued are entitled to. The full faith, credit and taxing power of the State are hereby pledged for the payment of such notes as may be issued, and interest thereon. The proceeds received from said notes shall be used for making loans to county boards of education in accordance with this article. The notes issued in anticipation of the sale of bonds shall be paid with the funds derived from the sale of said bonds whenever said bonds are sold.

SEC. 5. That the bonds authorized and directed to be issued by the preceding sections shall be coupon bonds of the denomination of five hundred dollars (\$500) and one thousand dollars (\$1,000) each, as may be determined by said State Treasurer, and shall be signed by the Governor of the State and State Treasurer and sealed with the Great Seal of the State. The coupons thereon may be signed by the State Treasurer alone, or may have a facsimile of his signature printed, engraved, or lithographed thereon, and the said bonds shall in all other respects be in such form as the State Treasurer may direct; and the coupons thereon shall, after maturity, be receivable in payment of all taxes, debts, dues, licenses, fines and demands due the State of North Carolina, of any kind whatsoever, which shall be expressed on the face of said bonds. Before selling any of the series of bonds herein authorized to be issued, the State Treasurer shall advertise the sale and invite sealed bids in such manner as in his judgment may seem to be most effectual to secure the par of said bonds at the lowest rate of interest.

He is authorized to sell the bonds herein authorized in such manner as in his judgment will produce the par value of said bonds at the lowest rate of interest, and where the conditions are equal he shall give the preference of purchase to the citizens of North Carolina.

One-twentieth of the total bonds issued under date of January first, one thousand nine hundred and twenty-eight, shall be due and payable on the first day of January, one thousand nine hundred and thirty-three, and another one-twentieth of the amount of said bonds shall be due and payable on January first of each year thereafter until the whole series shall be paid, and any bonds issued under this act on any subsequent January first shall be due and payable as follows: One-twentieth of the total amount of said bonds shall be due and payable on the first day of January five years after the date of issuance of said bonds, and one-twentieth on each subsequent January first of each year thereafter until the whole series authorized by this act shall be paid in full.

SEC. 6. The said bonds and coupons shall be exempt from all State, county or municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, and the

interest paid thereon shall not be subject to taxation as for income, nor shall said bonds and coupons be subject to taxation when constituting a part of the surplus of any bank, trust company, or other corporation, and it shall be lawful for all executors, administrators, guardians, or other fiduciaries generally to invest in said bonds.

SEC. 7. The county board of education, from any amount borrowed under the provisions of this act, may make loans to special charter, local tax or special school taxing districts, and the amount so loaned to any such district shall be payable in twenty annual installments, with interest thereon at the rate the county is required to pay, payable annually in advance. Any amount loaned under the provisions of this act shall be a lien upon the total local tax funds produced in the district. Whenever the local taxes at any time may not be sufficient to pay the installments with the interest, the county board of education must supply the remainder out of the operating and equipment fund, and shall make provisions for the same when the county budget is made and presented to the commissioners in May: *Provided*, nothing in this section shall prevent the county board of education from assuming the entire expense of erecting said building or buildings in any district of the county.

All loans made to such districts, under the provisions of this act, shall be made upon the written petition of a majority of the committee, or board of trustees, of the said district asking for the loan and authorizing the county board of education to deduct a sufficient amount from the local taxes or other funds belonging to said district, other than the teachers' salary fund, to meet the indebtedness to the county board of education. Otherwise, the county board of education shall have no lien upon the local taxes for the repayment of this loan: *Provided*, this lien shall not lie against taxes collected or hereafter levied to pay interest and principal on bonds issued by the authority of any district.

SEC. 8. Upon the completion of project for which the loan was made, the county board of education, upon blanks prepared for this purpose, shall file with the the State Board of Education an itemized sworn statement of all expenditures on said project, including the loan from the State and all other funds inversed in such building. Members of the county board of education and the county superintendent refusing or failing to make such report or authorizing the expenditure of said loan otherwise than upon the specific project, set forth in the approved application, or otherwise than as set out in the plans and specifications, approved by the State Board of Education, except upon the written approval of the State Board of Education, shall be severally guilty of a misdemeanor, punishable by a fine or imprisonment, or both, in the discretion of the court.

SEC. 9. All laws and clauses of laws in conflict with this act are hereby repealed.

SEC. 10. This act shall be in full force and effect from and after the date of its ratification.

Ratified this 9th day of March, 1927.

1927, c. —.

**AN ACT TO RATIFY AND VALIDATE ENLARGEMENTS OF SPECIAL
CHARTER SCHOOL DISTRICTS AND THE VOTING OF BONDS
THEREIN UNDER CERTAIN CIRCUMSTANCES.**

Whereas, doubts have arisen as to the legality of the enlargement of special charter school districts because of the alleged non-compliance in many cases with requirements of law respecting the adoption of a county-wide plan of school organization and the assumption or non-assumption of indebtedness and other conditions; and

Whereas, doubts have for like reasons arisen as to the legality of bond elections held in such enlarged school districts and as to the validity of bonds voted at such elections; and

Whereas, it is deemed advisable and for the interest of the public schools that such enlargements and the voting of such bonds be ratified and validated in all cases in which certain conditions have been or shall within a reasonable time be fulfilled; now, therefore

The General Assembly of North Carolina do enact:

SECTION 1. In all cases in which an enlargement or attempted enlargement of a special charter school district has been made since January one, one thousand nine hundred twenty-three so as to make such district coterminous with a city which had formerly been coterminous with such district but which had been enlarged by annexation of territory without a corresponding annexation of territory to the district, such enlargement of such district is hereby validated and ratified as of the date upon which such enlarged district began to function as such, provided such enlargement was in accordance with a county-wide plan of organization of schools adopted under the provisions of section 73a of chapter 136, Public Laws of one thousand nine hundred twenty-three, or in which, although not in accordance with such county-wide plan a county-wide plan was thereafter adopted or shall be adopted before the first day of January one thousand nine hundred twenty-eight with which plan such enlargement shall be in accord: *Provided, however,* that a majority of the qualified voters of such enlarged district have heretofore voted or shall vote before the first day of January one thousand nine hundred twenty-eight for the levy of a tax to supplement the constitutional six months' school term and to assume all indebtedness incurred by school districts which in whole or in part are within said enlarged district. It shall not be necessary that the vote for such maintenance tax shall have been or shall be taken at the same election, if a majority of the voters in each school district and a majority of the voters in that part of each school district within the territory added to such special charter district have voted or shall vote in favor of a maintenance tax at the same rate as the maintenance tax theretofore voted within such special charter school district.

SEC. 2. All elections held throughout any such enlarged special charter school district at which a majority of the voters therein voted for the issuance of bonds are hereby validated and ratified.

SEC. 3. All new registrations of voters for the purpose of any of the elections heretofore held and referred to above which were made in substantial

conformity with provisions of article 17, chapter 136, Public Laws of one thousand nine hundred twenty-three, are hereby validated and ratified

SEC. 4. This act shall be in force from and after its ratification.

Ratified this 7th day of March, 1927.

1927, c. —.

AN ACT TO PROVIDE FOR THE CREATION OF SCHOOL DISTRICTS.

The General Assembly of North Carolina do enact:

SECTION 1. It shall be lawful to create school districts, whether the same be enlargements of existing school districts or not, in the manner provided by this act.

SEC. 2. Such school districts, herein sometimes termed new districts, may comprise any part or all of one or more existing school districts including special charter school districts, which comprised districts and comprised parts of districts are herein sometimes termed component districts or component parts of districts: *Provided, however*, that no new district shall be created under this act, nor shall any division of an existing school district be made hereunder, except in accordance with a county-wide plan of organization of schools adopted under the provisions of the general law; and provided further that the total number of school districts in the county shall not be increased thereby; and *provided, further*, that no special charter district or part thereof shall be included in any new school district created under this act unless the governing body thereof, such governing body being in this act termed the Board of Trustees, shall consent thereto by resolution passed and recorded.

SEC. 3. The creation of any such new district may be ordered by the County Board of Education in accordance with such county-wide plan, but no such new district shall be deemed created or in existence unless and until a uniform tax rate and the assumption of existing debt shall be voted as hereinafter required.

SEC. 4. Upon certification to the Board of County Commissioners, or in case the territory in which the vote is to be taken lies entirely within a city or town upon certification to the governing body of such city or town, such board or body shall call and hold an election for voting a local tax to supplement the funds provided for the maintenance of the minimum school term under the constitution, at which election there shall be submitted to the voters of the entire new district the question of whether a maximum rate of tax, which shall not exceed fifty cents (50c) on the one hundred dollars of assessed valuation, shall annually be levied upon the entire district; *Provided, however*, that in lieu of submitting such question to the voters of the entire new district at one election, there may be submitted to the voters of any component district or districts or component part or parts of a district separately or in combination the question of whether there shall be levied annually upon such district, districts, part or parts a maximum rate of tax at the same rate, not exceeding fifty cents (50c) on the one hundred dollars of assessed valuation, which was theretofore voted by any other component district or districts component part or parts of the new district.

SEC. 5. At the same or at another election, the said board or body shall submit to the voters of the entire new district the question of whether the new district shall assume (a) the outstanding debt of every component school district and (b) the outstanding debt of every school district any part of which shall be a component part of the new district, or, if any such debt was not incurred for permanent school improvements within the new district, such portion of such debt as the assessed valuation of taxable property in such component part bears to the assessed valuation of taxable property in the indebted district and (c) the outstanding city, town and township debt incurred for permanent school improvements within the new district. The foregoing requirements for debt assumption shall not apply to any debt which a county has assumed or for the payment of which the General Assembly shall have made other provisions.

SEC. 6. A new registration of qualified voters may be ordered for the elections herein provided and such registrations and elections shall be conducted in accordance with the provisions of the general law for the voting of local school taxes, except as herein otherwise provided, and the Australian Ballot Act of one thousand nine hundred and twenty-seven shall not apply thereto.

SEC. 7. The officers appointed to hold the elections in making returns of the result thereof shall incorporate therein not only the number of votes cast for and against the question submitted, but also the number of voters registered. The board or body holding the election shall canvass the returns and shall include in their canvass the votes cast for and against the question submitted and the number of voters registered, and shall determine and declare the result of the election.

SEC. 8. Such board or body shall prepare a statement showing the number of votes cast for and against each question submitted and the number of voters registered and declaring the result of the election, which statement shall be signed by a majority of the members of such board or body and delivered to the clerk thereof who shall record it in the minutes of the board or body and file the original at his office and publish it once in a newspaper published in the State and circulating within the new district, which newspaper shall be one published in the new district if one be there published, but otherwise shall be one published in the county if one be published in the county.

SEC. 9. No right of action or defense founded upon the invalidity of the election shall be asserted, nor shall the validity of the election be opened to question in any court upon any grounds whatever, except in an action or proceedings commenced within thirty days after publication of such statement.

SEC. 10. If at such election or elections a maximum maintenance tax of the same rate shall have received the votes of a majority of the qualified electors in the entire new district, and if the assumption of all the indebtedness as herein required shall have received the votes of a majority of the qualified voters of the entire new district, the County Board of Education shall pass and record upon its minutes a resolution declaring that the new district shall come into existence upon a day to be named in such resolution not later than the first day of the next July.

SEC. 11. If the new district shall embrace the whole of any special charter district or if, embracing the whole of two or more special charter districts,

the boards of trustees of such special charter districts shall by recorded resolutions passed not later than the day upon which the new district shall come into existence as hereinabove provided, agree upon one of such special charter districts as the district which shall be deemed enlarged, the new district shall be deemed an enlargement of such special charter district and shall be conducted and governed in accordance with the charter thereof and other laws applicable thereto. In all other cases the new district shall be a local tax district.

SEC. 12. When the new district shall come into existence as hereinabove provided, all school property real and personal within the same, except property maintained by the county for other than district purposes the debt for which property has not been assumed by the new district, shall automatically pass in the case of a new special charter district to the board of trustees thereof, and in the case of a local tax district, to the County Board of Education for the use of the district, but it shall nevertheless be the duty of all boards and bodies holding any such property to convey the same formally by deed and other proper conveyance and every such deed shall be promptly recorded.

SEC. 13. In all cases in which a new school district has been attempted to be created since January first, one thousand nine hundred twenty-three, embracing a part or all of one or more existing school districts, such creation is hereby validated and ratified as of the date upon which such new district began to function as such, provided such creation was in accordance with the county-wide plan of organization of schools adopted under the provisions of section seventy-three a, chapter one hundred thirty-six, Public Laws of one thousand nine hundred twenty-three, or in which although not in accordance with such county-wide plan, such county-wide plan was thereafter adopted or shall be adopted before the first day of July, one thousand nine hundred twenty-seven, with which plan such creation shall be in accord; *Provided, however*, that a majority of the qualified voters of such new district shall have heretofore voted or shall vote before the first day of January one thousand nine hundred twenty-eight, for such levy of maintenance tax and such assumption of debt as are herein required to be voted for the creation of the new district; and in all such cases all new registrations of voters which were made for the purpose of any such elections made in substantial conformity with the provisions of article 17, chapter 136, Public Laws of one thousand nine hundred twenty-three, are hereby validated and ratified, and all elections held throughout any such new district at which a majority of the voters therein have voted for the issuance of bonds are hereby validated and ratified.

SEC. 14. This act shall be in force from and after its ratification.

Ratified this 7th day of March, 1927.

1927, c. —.

AN ACT ESTABLISHING "THE OLD NORTH STATE" AS THE STATE'S OFFICIAL SONG FOR NORTH CAROLINA.

Whereas, the last State convention of the North Carolina Daughters of the Confederacy appointed a committee to investigate the advisability of adopting "The Old North State" as the State's official song; and,

Whereas, the said committee of the North Carolina Division of the United Daughters of the Confederacy has requested the General Assembly of the State of North Carolina, by appropriate legislation, to adopt said song written by Hon. William Gaston as the State's official song; now, therefore, *The General Assembly of North Carolina do enact:*

SECTION 1. That the song known as "The Old North State", as herein-after written, be and the same is hereby adopted and declared to be the official song of the State of North Carolina, said song being in words as follows:

Carolina! Carolina! Heaven's blessings attend her!
While we live we will cherish, protect and defend her;
Though the scorner may sneer at and witlings defame her,
Our hearts swell with gladness whenever we name her.

Hurrah! Hurrah! The Old North State forever!
Hurrah! Hurrah! the good Old North State!

"Though she envies not others their merited glory,
Say, whose name stands the foremost in Liberty's story?
Though too true to herself e'er to crouch to oppression,
Who can yield to just rule more loyal submission?

"Plain and artless her sons, but whose doors open faste!
At the knock of a stranger, or the tale of disaster?
How like to the rudeness of their dear native mountains,
With rich ore in their bosoms and life in their fountains.

"And her daughters, the Queen of the Forest resembling—
So graceful, so constant, yet to gentlest breath trembling;
And true lightwood at heart, let the match be applied them,
How they kindle and flame! Oh! none know but who've tried them.

"Then let all who love us, love the land that we live in
(As happy a region as on this side of Heaven),
Where Plenty and Freedom, Love and Peace smile before us,
Raise aloud, raise together, the heart-thrilling chorus!"

SEC. 2. That all laws and clauses of laws in conflict with the provisions of this act are hereby repealed.

SEC. 3. That this act shall be in force and effect from and after its ratification.

Ratified this 18th day of February, 1927.

1927, c. —.

AN ACT TO PROVIDE FOR GIVING PUBLICITY TO HIGHWAY TRAFFIC LAWS THROUGH THE PUBLIC SCHOOLS.

The General Assembly of North Carolina do enact:

SECTION 1. That the State Highway Commission shall cause to be prepared a digest of the traffic laws of the State suitable for use in the public schools of the State and have the same published in pamphlet form and

delivered on or before the first day of August, one thousand nine hundred and twenty-seven, to the State Superintendent of Public Instruction, a sufficient number of said pamphlets to supply at least one copy each to all the public high school teachers of the State.

SEC. 2. That the State Superintendent of Public Instruction shall cause to be delivered to the superintendents or principals of the various high schools of the State sufficient number of said pamphlets to supply one to each of the teachers engaged for said schools.

SEC. 3. That the superintendents or principals, or other persons in charge of the public high schools of the State shall cause the contents of said pamphlets to be brought to the attention of all the children in attendance upon the said high schools in the form of lessons of at least one each week until the entire contents of said pamphlets have been read and explained.

SEC. 4. That this practice shall be continued during each school year and the State Highway Commission is directed annually on or before the first Monday of August, to supply, as hereinbefore provided, such additional copies of the said pamphlet, having the same revised from time to time to meet any amendments of the traffic laws of the State, as the State Superintendent of Public Instruction may ascertain and report to the State Highway Commission to be necessary.

SEC. 5. That this act shall be in force from and after its ratification.

Ratified this the 9th day of March, 1927.

1927, c. —.

AN ACT TO PROVIDE FOR FIRE DRILLS IN THE PUBLIC SCHOOLS IN NORTH CAROLINA.

The General Assembly of North Carolina do enact:

SECTION 1. Amend section five thousand five hundred and forty-two of the Consolidated Statutes by adding after the word "Provide" in line two of said section the following: "A pamphlet containing printed instructions for properly conducting fire drills in schools, and the superintendent or principal of every public school in this State shall conduct at least one fire drill every month during the regular school session, such fire drills to include all children and teachers and the use of all ways of egress, and the Insurance Commissioner and Superintendent of Public Instruction shall further provide": *Provided*, this amendment shall not apply to schools taught in one-story houses.

SEC. 2. This act shall be in force from and after its ratification.

Ratified this the 6th day of March, 1925.

1925, c. 130.

**AN ACT TO PROTECT SCHOOL CHILDREN RIDING IN PUBLIC SCHOOL
BUSSES UPON THE PUBLIC ROADS AND HIGHWAYS OF THE
STATE.**

The General Assembly of North Carolina do enact:

SECTION 1. That no person operating any motor vehicle on the public roads shall pass, or attempt to pass, any public school bus while the same is standing on the said public roads taking on or putting off school children, without first bringing said motor vehicle to a full stop at a distance not less than fifty feet from the said school bus.

SEC. 2. That any person violating the provisions of this act shall be guilty of a misdemeanor, and upon conviction shall be fined not to exceed fifty dollars, or imprisoned not to exceed thirty days.

SEC. 3. That all laws and clauses of laws in conflict with the act are hereby repealed.

SEC. 4. That this act shall be in force and effect from and after its ratification.

Ratified this the 10th day of March, 1925.

1925, c. 265.

**AN ACT TO REGULATE THE SPEED OF BUSSES CARRYING SCHOOL
CHILDREN.**

The General Assembly of North Carolina do enact:

SECTION 1. That any person operating a bus carrying school children to or from the schools of this State who shall travel at a greater rate of speed than twenty-five miles per hour along any public street or public highway in the State of North Carolina shall be guilty of a misdemeanor, and shall be punished by a fine not in excess of the sum of fifty dollars.

SEC. 2. That this act shall be in force from and after its ratification.

Ratified this the 10th day of March, 1925.

1925, c. 297.

**AN ACT TO PROVIDE FOR RECORDING IN THE OFFICE OF THE STATE
AUDITOR STATEMENTS CONCERNING BONDS AND NOTES OF
COUNTIES, TOWNSHIPS, SCHOOL DISTRICTS, MUNICIPAL CORPO-
RATIONS, AND TAXING DISTRICTS, AND MAKING EFFECTUAL
THE MEANS OF PAYMENT PROVIDED FOR SAID SECURITIES AND
TO PROVIDE FOR SUPERVISION OF SUCH MEANS BY THE STATE
AUDITOR, AND MAKING NONCOMPLIANCE WITH CERTAIN PARTS
OF THIS ACT A MISDEMEANOR AND VIOLATION OF CERTAIN
PARTS THEREOF A FELONY AND PROVIDING PENALTIES AND
REPEALING CHAPTER 100, PUBLIC LAWS OF 1925.**

Whereas, the default in payment for a single day of the interest or principal of bonds or notes issued by any county, township, school district, municipal corporation, or taxing district results not only in discredit to the obliger but is often interpreted by bondholders and investors as a reflection upon the

credit of the State itself and all of its municipalities and political subdivisions; and

Whereas, in order to remedy such conditions it is imperative to provide State supervision of the means and methods for payment of such principal and interest promptly as the same fall due; now, therefore,

The General Assembly of North Carolina do enact:

SECTION 1. This act shall be known and may be cited as "The Public Securities Recording Act."

SEC. 2. On or before July first, one thousand nine hundred and twenty-seven, it shall be the duty of the clerk or secretary or other recording officer of each board in the State of North Carolina which shall theretofore have authorized the issuance of county, township, school district, taxing district or municipal bonds or notes, except as otherwise provided in section three of this act, to file with the State Auditor a statement giving the name and amount of such bonds or notes then outstanding, regardless of what may have been the time fixed for the payment thereof, and giving also their date, the time fixed for payment of principal and interest, the rate of interest, the place or places at which the principal and interest are payable, the denomination and the purpose of issuance. The statement shall also contain the name of the board in which is vested the authority and power to levy the taxes for the payment of the principal and interest of said bonds or notes, and a reference to the law under which said bonds or notes are issued. The State Auditor shall record the substance of such statements in a book or books to be provided for that purpose.

SEC. 3. In all cases in which such statements have heretofore been filed with the State Auditor, no further statements as to the same bonds or notes shall be required to be filed under this act; and in order to acquaint the officers required to file such statements with the facts as to previous filing, it shall be the duty of the State Auditor, not later than May first, nineteen hundred and twenty-seven, to cause to be printed a list or lists giving such description as he may deem necessary and sufficient of all bonds and notes which have been covered by statements filed prior to his printing of such lists, and to mail such printed list or lists, or such part thereof as the State Auditor may deem necessary and sufficient, to each officer required to file statements under section two of this act, together with a copy of this act and a statement of the duty of such officer under section two of this act.

SEC. 4. It shall be the duty of the recording officer of every governing body or board which shall hereafter authorize any bonds or notes of a county, township, school district, municipality or taxing district, regardless of what may be the time fixed for the payment thereof, to file with the State Auditor a statement giving the name and amount of the bonds or notes so authorized, their date, the time fixed for payment of principal and interest, the rate of interest, the place or places at which the principal and interest will be payable, the denomination, and the purpose of issuance, the said statement shall also contain the name of the board in which is vested the authority and power to levy the taxes for the payment of the principal and interest of such bonds or notes, and a reference to the law under which such bonds or notes are to be issued, and shall recite that all proceedings of the governing body or board in authorizing such bonds or notes have been prior to such state-

ment and then are correctly recorded in a bound book containing minutes and proceedings of such body or board. Such statement of bonds or notes maturing one year or less than one year after the date of such bonds or notes, shall be filed not later than thirty days after the delivery thereof for value, but if such bonds or notes have a maturity of more than one year from their date or have no fixed maturity, such statement shall be filed before any of such bonds or notes are delivered for value, and no such bonds or notes maturing after one year from their date or having no fixed maturity shall be valid until such statement shall have been filed. The State Auditor shall record the substance of such statements in a book or books to be provided for that purpose, and upon request of such recording officer shall issue certificate to the effect that the statement required by this act has been filed, and such certificate shall be conclusive evidence of the fact of filing in any action or dispute in relation to the validity of such bonds or notes. It shall be the further duty of such recording officer to make and keep in a permanent record book a complete record of all such bonds and notes as and when the same are issued, such record to contain at least the information herein required to be furnished by such recording officer to the State Auditor, whose duty it shall be to furnish to every such recording officer information and forms for such record, but it shall not be obligatory upon any such recording officer to use the forms so furnished if other forms to be used by which the provisions of this section may be complied with.

SEC. 5. It shall be the duty of the State Auditor to prepare and furnish to all counties, townships, school districts, taxing districts and municipal corporations throughout the State blank forms upon which such statements may be made, and to keep the statements made pursuant to this law in proper file properly indexed.

SEC. 6. It shall be the further duty of the State Auditor to mail to the recording officer of each board having the power to levy taxes for the payment of the principal or interest of the obligation as to which statements have been so filed, at least thirty days before the time for the levy of taxes in each year, a statement of the amount to be provided by taxation or otherwise for the payment of the interest accruing upon such bonds or notes within the following year and for the payment of the bonds then maturing.

SEC. 7. It shall be the further duty of the State Auditor to mail to the treasurer or other disbursing officer of every county, township, school district, municipality and taxing district as to which statements have been so filed, at least thirty days before each date upon which any installment of principal or interest of bonds or notes described in any such statement becomes payable, a statement of the amount of such payment to be made and the place of payment and a reference to the obligation upon which such payment is required.

SEC. 8. If any board whose duty it shall be to provide for the payment by taxation, or otherwise, of the principal or interest of any such bonds or notes mentioned in sections two and four of this act shall fail or refuse to make provision for such payment by the levy of such taxes as are authorized to be levied therefor, or otherwise, at or before the time provided for such tax levy, or to make other legal provision for payment, any member thereof who shall be present at the time for such levy or provision who shall not have voted in favor thereof, or who shall not have caused his request that

such tax levy or provision be made to be recorded in the minutes of the meeting, shall be guilty of a misdemeanor and shall be fined not more than one thousand (\$1,000) dollars or imprisoned not longer than one (1) year, or both, in the discretion of the court.

SEC. 9. If any officer whose duty it shall be to pay any of such principal or interest or to remit for such payment to the promised place for the payment thereof shall have funds for such payment at his disposal but shall fail or refuse so to do in sufficient time and in sufficient amount for such payment, whether or not such payment or remission for payment shall have been ordered or forbidden by any board or officer, the officer so failing or refusing shall be guilty of a misdemeanor and shall be fined not more than five hundred (\$500) dollars or imprisoned not longer than six (6) months, or both, in the discretion of the court.

SEC. 10. Any member of any board who shall knowingly vote for any appropriation of money raised by taxation or otherwise for the payment of the interest and principal or sinking fund of any such bonds or notes to any other purpose until all of such principal and interest shall have been paid, and any disbursing officer who shall knowingly pay out any of such money for any other purpose than the payment of such principal and interest until all of such interest and principal shall have been paid, whether or not such payment shall have been ordered or forbidden by any board or officer shall be guilty of a felony and be fined not more than five thousand (\$5,000) dollars or imprisoned not more than five (5) years, or both, in the discretion of the court.

SEC. 11. If any officer whose duty it shall be to file any statement required by section two of this act shall fail or refuse to file such statement by July the first, nineteen hundred and twenty-seven, or if any officer whose duty it shall be to file any statement required by section four of this act or to make and keep any record required by this act shall fail or refuse to file such statement or to make and keep such record within the time prescribed therefor by this act, the officer so failing or refusing shall be guilty of a misdemeanor and shall be fined not more than five hundred (\$500) dollars or imprisoned not longer than six (6) months, or both, in the discretion of the court.

SEC. 12. If any officer of whom duties are required by this act, shall knowingly make or certify any false statement in any certificate or statement required by this act, he shall be guilty of a misdemeanor and shall be fined not more than one thousand (\$1,000) dollars or imprisoned not longer than one (1) year, or both, in the discretion of the court.

SEC. 13. If the State Auditor or any officer or any member of a board upon whom duties are imposed by this act, shall violate the same or any part thereof, or shall fail to comply with the same or any part thereof, such State Auditor, officer or member, in addition to the pains and penalties herein above provided as to such officer or member, shall forfeit and pay to the State of North Carolina for the benefit of the School Fund of the State the amount of two hundred (\$200) dollars for each such violation or failure, to be recoverable by suit. If the State Auditor shall have knowledge of any such violation or failure on the part of any such officer or member, or if the same shall be brought to his attention, it shall be the duty of the State Auditor to bring the same to the attention of the solicitor of the proper dis-

trict. It shall be the duty of such solicitors to prosecute the State Auditor or any such officer or member within his district. If any solicitor shall fail so to prosecute, the Attorney General shall prosecute.

SEC. 14. The statements which the State Auditor is herein required to mail under sections five and six and seven of this act shall be accompanied by statements of the provisions of this act as to penalties and forfeitures and misdemeanors and felonies.

SEC. 15. All laws or parts of laws in conflict herewith are hereby repealed, and especially chapter 100, Public Laws of 1925, but such repeal shall not have the effect of reviving chapter 1, Public Laws of 1921, Extra Session, or chapter 123, Public Laws of 1923.

SEC. 16. This act shall be in force from and after its ratification.

Ratified this 9th day of March, 1927.

1927, c. —.

AN ACT TO PROVIDE FOR REGISTRATION IN THE NAME OF THE OWNER OF BONDS OF COUNTIES, CITIES, TOWNS, SCHOOL DISTRICTS, AND SCHOOL TAXING DISTRICTS.

The General Assembly of North Carolina do enact:

SECTION 1. That this act shall be known as "The Municipal Bond Registration Act."

SEC. 2. That each county, city, town, school district and school taxing district which has issued or shall hereafter issue bonds in its own name, and each county, city, and town which has issued or shall hereafter issue bonds in behalf of a school district or school taxing district, is hereby authorized to keep in the office of its treasurer or financial agent or its clerk, or in the office of the bank or trust company appointed by its governing body as bond registrar, a register or registers for the registration as to principal of such bonds in the name of the owner thereof, in which it may register any such bond as to principal at the time of its issue, or at the request of the holder thereafter. Such registration shall not affect the payment of interest, but such interest shall continue to be made upon the presentation and surrender of interest coupons if issued, but after such registration as to principal, the principal shall be payable to the person in whose name registered or to the person in whose name the bonds registered may be transferred on such register by the registered owner in person or by attorney, upon presentation to the bond registrar, accompanied by delivery of a written instrument of transfer in a form approved by the bond registrar, executed by the registered owner: *Provided, however,* that a registered bond may be discharged from registry by a transfer to bearer registered as herein provided. Upon the registration or transfer of a bond as aforesaid, the bond registrar shall note such registration or transfer on the back of the bond.

SEC. 3. That the powers herein granted are not in substitution of existing powers but in addition thereto.

SEC. 4. That this act shall be in force and effect from and after its ratification.

Ratified this the 6th day of March, 1925.

1925, c. 129.

AN ACT TO AUTHORIZE DISBURSING OFFICERS OF COUNTIES, CITIES, TOWNS, TOWNSHIPS, SCHOOL DISTRICTS, AND SCHOOL TAXING DISTRICTS TO PAY AND TO CONTRACT TO PAY FISCAL AGENCY FEES FOR THE PAYMENT OF BONDS AND COUPONS.

The General Assembly of North Carolina do enact:

SECTION 1. That this act shall be known as "The Municipal Fiscal Agency Act."

SEC. 2. That whenever any county, city, town, township, school district or school taxing district is or shall be authorized or permitted to make payments of bonds or coupons issued by it or in its behalf at any place other than within such county, city, town, township, school district or school taxing district, and such bonds or coupons are by their terms payable at such other place, it shall be lawful for the officer disbursing the funds for such payment to pay the reasonable fees of the bank, trust company or other agency making payment at such place, and to agree to pay such fees at a fixed rate throughout the term of the bonds as to which such payment is to be made at such place, but no fee in excess of one-fourth of one per cent of the amount of interest paid and one-eighth of one per cent of the amount of principal paid shall be deemed reasonable.

SEC. 3. That this act shall be in force and effect from and after its ratification.

Ratified this the 9th day of March, 1925.

1925, c. 195.

AN ACT TO PROVIDE FOR THE ADMINISTRATION OF THE FISCAL AFFAIRS OF COUNTIES.

The General Assembly of North Carolina do enact:

SECTION 1. This act shall be known and may be cited as "The County Fiscal Control Act."

SEC. 2. In this act, unless the context otherwise requires, certain words and expressions have the following meanings:

(a) "Subdivision" means a township, school district, school taxing district, or other political corporation or subdivision within a county, including drainage and other districts, the taxes for which (taxes as here and elsewhere used in this act include special assessments) are under the law levied by the board of county commissioners of the county.

(b) "Debt Service" means the payment of principal and interest of bonds and notes as such principal or interest falls due, and the payments of moneys required to be paid into sinking funds.

(c) "Constitutional School Maintenance" means the maintenance of schools for the six months term required by the State Constitution.

(d) "Department" means any division of county functions or activities.

(e) "Department Head" means the principal officer of any office, board, commission, institution, or branch of the county government in charge of a department.

(f) The "Fiscal Year" is the annual period for the compilation of fiscal operations, and begins on the first day of July and ends on the thirtieth day of June.

(g) "Surplus Revenues" means revenues in excess of the estimated revenues against which an appropriation is made, and arises when actual revenues exceed estimated revenues at the end of a fiscal year.

(h) "Unencumbered Balance" means the balance of an appropriation after charging thereto all obligations for goods and services and all contracts or agreements payable from the appropriation, and all payments made from the appropriation except payments of such obligations, contracts, or agreements already charged against the appropriation.

(i) "Fund" means the separate fund or account provided for a distinct function of government, as such functions are shown in (j) below.

(j) The funds required by this act are funds for each of the following functions of government:

- (1) Current operating expense of the county.
- (2) Constitutional school maintenance.
- (3) County-wide school expenses over and above constitutional school maintenance.
- (4) County debt service.
- (5) County roads.
- (6) Each special purpose to which the General Assembly has given its special approval, separately stated.
- (7) Debt service of each subdivision, separately stated.
- (8) Maintenance of each subdivision, separately stated.
- (9) Permanent improvements in each subdivision, separately stated.

SEC. 3. It shall be the duty of the board of county commissioners in each county in the State, on or before the first Monday in April, one thousand nine hundred and twenty-seven, and biennially thereafter, to appoint some person of honesty and ability, who is experienced in modern methods of accounting, as county accountant, to hold such office at the will of the board, or until the appointment of his successor; but in lieu of appointing a county accountant in counties in which there is an auditor, the board shall impose and confer upon the county auditor all the powers and duties herein imposed and conferred upon county accountants, and in any county of the State in which there is no auditor, the board may impose and confer such powers and duties upon any county officer, except the sheriff or the tax collector or the county treasurer, or any person or bank acting as county financial agent or performing the duties ordinarily performed by a county treasurer or county financial agent. If such duties and powers are imposed or conferred upon any officer of the county, the board may revise and adjust the salary or compensation of such officer in order that adequate compensation may be paid to him for the duties of his office. Wherever in this act reference is made to the county accountant, such reference shall be deemed to include either the person appointed as county accountant or the officer upon which the duties thereof are imposed.

SEC. 4. In addition to the duties imposed and powers conferred upon the county accountant by this act, he shall have the following duties and powers:

(a) He shall act as accountant for the county and subdivisions in settling with all county officers.

(b) He shall keep a record of the date, source, and amount of each item of receipts, and the date, the payee or contractor, the specific purpose, and the amount of every disbursement or contract made.

(c) He shall require every officer and department receiving or disbursing money of the county or its subdivisions to keep a record of the date, source, and amount of each item of receipts, and the date, the payee or contractor, the specific purpose, and the amount of every disbursement or contract made, and shall require the officer or department to keep a copy of such contract.

(d) He shall examine once a month, and at such other times as the board may direct, all books, accounts, receipts, vouchers, and other records of all county officers and employees and departments of the county administration receiving or expending public money, including the road commission, if there is such commission in the county, the county board of education and other subdivisions.

(e) He shall require all officers and employees in the county whose duty it is to collect fines, penalties, and other money to be applied to public purposes, to file with him each month, or oftener if the board so directs, a report showing amounts collected by such officers, including a report of all fees collected for the performance of their duties, whether they are entitled to such fees as the whole or a part of their compensation, or are not entitled to the same.

(f) He shall once a year, or as often as he may be directed by the board of county commissioners, file with the board a complete statement of the financial condition of the county and subdivisions, showing the receipts and expenditures of the different departments of the county and its subdivisions, including the department of public roads and the department of public schools.

(g) He shall advise with the different officers and departments of the county and with State officers as to the best and most convenient method of keeping accounts, and he shall inform himself as to the best and simplest methods of keeping accounts, so as to bring about as far as possible a simple, accurate, and uniform system of keeping accounts of the county and subdivisions. He shall not allow any bill or claim unless the same be itemized and verified as now required by law.

(h) He shall perform such other duties having relation to the purposes of this act as may be imposed upon him by the board of county commissioners.

SEC. 5. It shall be the duty of all heads of departments and officers in charge of the functions for which county money or money of subdivision is to be expended to file with the county accountant, before the first day of June of each year: (a) a complete statement of the amounts expended and estimated to be expended for each object in his department in the current fiscal year, and (b) beginning in the year one thousand nine hundred and twenty-eight, a statement of the amounts expended for each object in his department in the fiscal year preceding the then current fiscal year, and (c) an estimate of the requirements of his department for each object in the ensuing fiscal year. Such statements and estimates shall list each object of

disbursement under the appropriate class of functions as defined in section two of this act.

SEC. 6. Upon receipt of such statements and estimates, the county accountant shall prepare: (a) his estimate of the amounts necessary to be appropriated for the next ensuing fiscal year for the different objects of the county and subdivisions, listing each object of disbursement under the appropriate class of functions as defined in section two of this act, which estimate shall include the full amount of any deficit in any fund, and may include an emergency estimate for each fund not greater than 5 per cent in excess of other estimates for such fund, and (b) an itemized estimate of the revenue to be available during the ensuing fiscal year, separating revenue from taxation from revenue from other sources, classifying the same under proper funds as defined in section two of this act, and (c) an estimate of the amount of unencumbered and surplus revenues of the current fiscal year in each fund. Such estimates and statements of the county accountant shall be termed the "Budget Estimate," and shall be submitted to the board not later than the first Monday of July of each year.

SEC. 7. Immediately upon the submission of the budget estimate, and at least twenty days before the adoption of the appropriation resolution, the board shall: (a) file the budget estimate in the office of the clerk of the board, where it shall remain for public inspection, and (b) furnish a copy of the budget estimate to each newspaper published in the county, and (c) cause to be published in at least one newspaper published in the county a summary of the budget estimate, showing at least the total appropriation recommended for each separate fund or function as defined in section two of this act: *Provided, however,* that if no newspaper be published in the county, such summary shall be posted at the courthouse door and at least three other public places in the county at least twenty days before the passage of the appropriation resolution.

SEC. 8. It shall be the duty of the board of county commissioners, not later than the fourth Monday in July in each year, to adopt and record on its minutes an appropriation resolution, the form of which shall be prescribed by the county accountant, which resolution shall make appropriations for the several purposes of the county and subdivisions thereof, upon the basis of the estimates and statements submitted by the county accountant, such sums as the board may deem sufficient and proper, whether greater or less than the recommendations of the budget estimates: *Provided, however,* that (a) no appropriation recommended by the county accountant for debt service shall be reduced, and (b) the powers given by the general law to the county board of education and county commissioners jointly, in respect to the determination of the amount to be raised or expended for the maintenance of the six months school term, shall be observed by the county accountant and by the board of county commissioners, and (c) the board shall appropriate the full amount of all lawful deficits reported in the budget estimate not funded as provided by law, and (d) no appropriation shall be made in excess of the amount which may be raised under any constitutional or statutory limits of taxation.

SEC. 9. A copy of the appropriation resolution shall be filed with the county treasurer or other officer or agent performing the functions ordi-

narily assigned to the county treasurer, and another copy thereof shall be filed with the county accountant, both copies as so filed to be kept on file for their direction in the disbursement of county funds.

SEC. 10. As soon as practicable after the first Monday in July, and before any levy of taxes is made, the county accountant shall submit to the board a supplemental budget showing: (a) the amount of any increase or decrease in each item of (1) deficits and (2) unencumbered balances and (3) surplus revenues as reported by him in the budget estimate, and (b) the amount of miscellaneous revenues collected in the preceding year from sources other than taxation, this amount to be separately classified as to funds and functions, and (c) an estimate of the amount of taxes for the current fiscal year which will not be collected in the same year, such estimate to be an average computed mathematically by adding together the amount of the taxes of each of the three preceding fiscal years which remained unpaid at the end of such fiscal years, respectively, including land sales to the county, and dividing the sum thereof by three. Upon the submission of the figures showing increase or decrease in deficits, the appropriation resolution shall be deemed automatically amended by adding such increase to or subtracting such decrease from the amount appropriated for the fund or function to which such deficit pertains, and it shall be the duty of the clerk to record the amount of increase or decrease on the margin of the recorded appropriation resolution. The figures of the supplemental budget showing increases or decreases in unencumbered balances and surplus revenues, and showing the amount of miscellaneous revenues collected in the preceding fiscal year from sources other than taxes, and showing the estimate of taxes uncollectible in the current fiscal year, shall not affect the appropriation resolutions, but shall be taken into consideration in the levy of taxes as herein-after provided.

SEC. 11. Simultaneously with the submission of the supplemental budget, the county accountant shall prepare and cause to be published in a newspaper published in the county, or if no newspaper be published in the county, then by posting at the courthouse door and at least three other public places in the county, a statement of the financial condition of the county, containing such figures and information as the county accountant may consider it advisable to publish, which statement as so published or posted shall contain the figures showing at least the following items:

(a) The assessed valuation for the current year, unless the same shall not have been finally ascertained, in which case the assessed valuation of the preceding year shall be given.

(b) An itemized statement of the debt of the county and its subdivisions.

(c) The amount and rate of the taxation levied for the preceding fiscal year, whether collected or not.

(d) Amount of taxes, including land sales, for each of the three preceding fiscal years which remained uncollected at the end of such years, respectively, and the average thereof, and the amount of such uncollected taxes which were collected by the close of the preceding fiscal year.

(e) Miscellaneous revenue other than taxation for the preceding fiscal year.

(f) Deficits, if any, in all county funds in the aggregate for the preceding fiscal year.

(g) Such deficits for each subdivision of the county.

(h) Surplus revenues of the county, and separately stated, of each of the subdivisions of the county for the preceding year.

(i) Unencumbered balances of the county, and separately stated, of each of the subdivisions of the county for the preceding year.

(j) The rate of taxation for county purposes and the rate for each subdivision which he estimates it will be necessary to levy in the current fiscal year, these rates to be computed as is provided in section twelve of this act for computation of rates by the board of county commissioners.

SEC. 12. As soon as may be practicable after the passage of the appropriation resolution and the automatic amendment thereof, which is hereinabove provided, and after the ascertainment of the assessed valuation of property for taxation, but not later than Wednesday after the third Monday in August of each year, the board of county commissioners, by resolution to be recorded in its minutes, shall levy upon all the taxable property in the county, in the case of county appropriations, and upon all the taxable property of each subdivision in the case of appropriations for subdivisions, such rate of tax as may be necessary to produce: (a) the sum appropriated, and (b) the amount of the supplemental budget estimate of taxes which will not be collectible in the current fiscal year, after taking into consideration the figures contained in the budget estimate and supplemental budget showing surplus revenues and unencumbered balances carried over from the preceding fiscal year and the estimated miscellaneous revenues from other sources than taxation; but for the purpose of this computation the board shall not estimate miscellaneous revenues at a figure greater than ten per cent (10%) more than the actual receipts from miscellaneous revenues in the preceding fiscal year, as reported by the county accountant in the supplemental budget.

SEC. 13. No appropriation made by the appropriation resolution, except an appropriation for general county expenses, shall be transferred from one fund to another fund, and no appropriation for general county expenses shall be transferred to any fund of any subdivision of the county, or vice versa. No appropriation for general county expenses shall be transferred, except upon the passage and recording of a resolution of the board of county commissioners ordering such transfer, and copies of such resolutions shall be furnished to the county accountant and to the head of each department to which or from which such transfer shall be made.

SEC. 14. In the interval between the beginning of the fiscal year and the adoption of the annual appropriation resolution the board may make appropriations for the purpose of paying fixed salaries, the principal and interest of indebtedness, the stated compensation of officers and employees, and for the usual ordinary expenses of the county and its subdivisions, which appropriations so made shall be chargeable to the several appropriations, respectively, thereafter made in the annual appropriation resolution for that year.

SEC. 15. No contract or agreement requiring the payment of money, or requisition for supplies or materials, shall be made, and no warrant or order for the payment of money shall be drawn upon the treasury of the county, or a subdivision, unless provision for the payment thereof has been made

by (a) an appropriation resolution as provided by this act, or (b) through the means of bonds or notes duly authorized by the General Assembly and by the board of county commissioners, and further authorized in all cases required by law or by the Constitution, by a vote of qualified voters or taxpayers, or otherwise; nor shall such contract, agreement or requisition be made unless the unencumbered balance of such appropriation or provision remains sufficient for such payment. No contract or agreement or requisition requiring the payment of money shall be valid unless the same be in writing, and unless the same shall have printed, written, or typewritten thereon a statement signed by the county accountant, as follows: "Provision for the payment of the moneys to fall due under this agreement has been made by appropriation duly made or by bonds or notes duly authorized, as required by the 'County Fiscal Control Act.'" Such certificate shall not however, make valid any agreement or contract made in violation of this section. Before making such certificate, the county accountant shall ascertain that a sufficient unencumbered balance of the specific appropriation remains for the payment of the obligation, or that bonds or notes have been so authorized the proceeds of which are applicable to such payment, and the appropriation or provision so made shall thereafter be deemed unencumbered by the amount to be paid on such contract or agreement until the county is discharged therefrom.

SEC. 16. No claim against the county or any subdivision shall be paid except by means of a warrant or order on the county treasurer or county depository, signed by the head of the department for which the expense was incurred, nor unless the bill or claim for which the warrant or order is given shall have been presented to and approved by the county accountant, or in case of his disapproval of such claim or bill, by the board of county commissioners. The board shall not approve any claim or bill which has been disallowed by the county accountant without entering upon the minutes of the board its reason for approving the same in such detail as may show the board's reason for reversing the county accountant's disallowance. No warrant or order, except a warrant or order for payment of maturing bonds, notes, or interest coupons thereto appertaining, shall be valid unless the same shall bear the signature of the county accountant below a statement which he shall cause to be written, printed, or typewritten thereon containing the words: "Provision for the payment of this warrant (or order) has been made by an appropriation duly made or a bond or note duly authorized, as required by the 'County Fiscal Control Act.'"

SEC. 17. Accounts shall be kept by the county accountant for each object of appropriation, which objects shall be classified under the various funds as defined in section two of this act, and every warrant or order upon the county treasury shall state specifically against which of such funds the warrant or order is drawn; such account shall show in detail the amount appropriated thereto, the amount drawn thereupon, the unpaid obligations charged against it, and the unencumbered balance to the credit thereof.

SEC. 18. The county accountant shall furnish bond in some surety company authorized to do business in North Carolina, the amount to be fixed by the board of commissioners in a sum not less than five thousand dollars (\$5,000.00), which bond shall be approved by the board of county commis-

sioners, and shall be conditioned for the faithful performance of his duties under this act.

SEC. 19. Every public officer and employee whose duty it is to collect or receive any funds or money belonging to any county or subdivision thereof shall daily deposit the same with the county treasurer or in some bank, banks, or trust company designated by the board of commissioners, in the name of the county and of the fund to which it is applied, and shall report the same daily to the county accountant by means of duplicate deposit ticket signed by the depository. If there is no treasurer or designated depository in the county, then the board of commissioners may allow such deposits to be made every three days in some depository outside of the county. If such officer or employee collects or receives such public moneys for a taxing district of which he is not an officer or employee, he shall, during Saturday of each week, pay to the proper officer of such district the amount so collected or received during the current week, and take receipt therefor.

The board of commissioners is hereby authorized and empowered to select and designate annually, by recorded resolution, some bank or banks or trust company in this State as an official depository of the funds of the county, and the county commissioners shall require of such depository a bond in some surety company authorized to do business in North Carolina in an amount sufficient to protect such deposits, but in no event not less than the average daily bank balance of the county for the preceding year; but the board may at any time require an additional bond, in its discretion.

It shall be the duty of the board of commissioners to provide by recorded resolution for interest to be paid on public deposits at a rate to be determined by the board of commissioners. It shall be unlawful for any public moneys to be deposited by any officer, employee, or department, in any place, bank, or trust company other than those selected and designated as official depositories. Any person or corporation violating the provisions of this section or aiding or abetting in such violation shall be guilty of a misdemeanor and punished by fine or imprisonment, or both, in the discretion of the court.

SEC. 20. If a county accountant shall knowingly certify any contract, agreement, or warrant in violation of the requirements of this act, or approve any fraudulent, erroneous, or otherwise invalid claim or bill, or make any statement required by this act, knowing the same to be false, or shall willfully fail to perform any duties imposed upon him by this act, he shall be guilty of a misdemeanor and punishable for each offense by a fine of not less than fifty dollars (\$50.00) or imprisonment for not less than twenty (20) days, or both fine and imprisonment in the discretion of the court, and shall be liable on his bond for all damages caused by such violation or failure.

SEC. 21. If any county officer or head of a department or other official or person of whom duties are required by this act shall willfully violate any part of this act, or shall willfully fail to perform any such duties, he shall be liable for all damages caused thereby.

SEC. 22. The recovery of all damages allowed by the act may be made in the court having jurisdiction of the suit of the county, any subdivision thereof, or any taxpayer or other person aggrieved.

SEC. 23. It shall be the duty of the chairman of the board of county commissioners to report to the solicitor of the district within which the county lies all facts and circumstances showing the commission of any offense as defined herein, and it shall be the duty of the solicitor to prosecute.

SEC. 24. It is the purpose of this act to provide a uniform system for all counties of the State by which the fiscal affairs of counties and subdivisions thereof may be regulated, to the end that accumulated deficits may be made up, and future deficits prevented, either under the provisions of this act or under the provisions of other laws authorizing the funding of debts and deficits, and to the end that every county in the State may balance its budget and carry out its functions without incurring deficits.

SEC. 25. All laws and parts of laws, whether general, local or special, which are in conflict with this act, are hereby repealed. Nothing herein contained, however, shall require any county now operating under a budget system provided by any local or special act now in force or which may be passed at the Regular Session of the General Assembly of 1927, to abandon any such operation or to comply with this act, but any such county may, in the discretion of its board of commissioners, elect to conduct its procedure under any one or more sections of this act as the board may deem best. All such counties shall nevertheless be subject to the requirements of certain provisions of this act, which are: (a) the annual publication of financial information, substantially as required by section 11; (b) the adoption of an appropriation resolution which shall appropriate the full amount of all deficits not funded and the full amount required for debt service as required by section 8; (c) the annual levy of taxes sufficient to meet all appropriations and the probable amount of uncollectible taxes computed as required by section 12; (d) endorsement by some one county officer, who shall either be the county accountant or an officer designated for that purpose by the board, of all contracts, agreements, requisitions, warrants and orders, substantially as provided by sections 15 and 16; (e) compliance with all the provisions of section 19, and (f) all the provisions of sections 20, 21, 22, and 23 as to penalties, liability for damages and requirements for reporting offenses to the district solicitor, shall apply in all such counties so far as such counties are herein required to comply with this act.

SEC. 26. If any part of this act shall be held unconstitutional, the parts not unconstitutional shall remain in force, and the unconstitutional part shall be regarded as excised.

SEC. 27. This act shall be in force from and after its ratification.

Ratified this 7th day of March, 1927.

1927, c —.

AN ACT TO PROVIDE FOR THE ISSUANCE OF BONDS AND NOTES OF COUNTIES, AND FOR PROPERTY TAXATION FOR THE PAYMENT THEREOF, WITH INTEREST.

The General Assembly of North Carolina do enact:

SECTION 1. **Short title.** This act shall be known and may be cited as "The County Finance Act."

SEC. 2. Meaning of terms. In this act, unless the context otherwise requires, the words—

“Governing Body” means the board of county commissioners, or the board or body in which the general legislative powers of the entire county are vested.

“Clerk” means the officer acting as clerk of the governing body.

“Necessary Expenses” means the necessary expenses referred to in section seven of Article Seven of the Constitution of North Carolina.

“Published” means printed in a newspaper published in the county, if there be such a newspaper, but otherwise means posted at the courthouse door and in at least three other public places in the county.

“Chief Financial officer” means the county accountant, auditor, or other officer designated or appointed by the governing body to supervise the fiscal affairs of the county, unless such other officer shall be designated by law.

SEC. 3. Application and construction of act. This act shall apply to all counties in the State, except as otherwise provided herein. Every provision of this act shall be construed as being qualified by constitutional provisions whenever such construction shall be necessary in order to sustain the constitutionality of any portion of this act.

SEC. 4. Revenue anticipation loans for ordinary expenses. Counties may borrow money for the purpose of paying appropriations made for the current fiscal year in anticipation of the collection of the taxes and other revenues of such fiscal year, payable at such time or times, not later than thirty days after the expiration of the current fiscal year, as the governing board may fix. No such loan shall be made if the amount thereof, together with the amount of similar previous loans remaining unpaid, shall exceed 80 per cent of the amount of uncollected taxes and other revenue for the fiscal year in which the loan is made, as estimated by the chief financial officer and certified in writing by him to the governing body.

SEC. 5. Revenue anticipation loans for debt service. For the purpose of paying the principal or interest of bonds or notes due or to become due within four months, and not otherwise adequately provided for, any county may borrow money in anticipation of the receipt of either the revenues of the fiscal year in which the loan is made or the revenues of the next succeeding fiscal year, and such loan shall be payable not later than the end of such next succeeding fiscal year.

SEC. 6. Notes evidencing revenue anticipation loans. Negotiable notes shall be issued for all moneys borrowed under the two preceding sections, which notes may be renewed from time to time, and money may be borrowed upon new notes from time to time for the payment of any indebtedness evidenced thereby; but all such notes and loans shall mature within the time limited by said two sections for the payment of the original loan. No money shall be borrowed under said sections at a rate of interest exceeding the maximum rate permitted by law. If such notes mature not more than six months after their date, they may be disposed of either by public or private negotiations, after five days notice has been given in some newspaper having a general circulation in the county. If such notes mature more than six months after their date, they shall not be disposed of except in accordance with the provisions of this act governing the disposal of bond anticipation notes maturing more than six months from date. All notes herein

provided for shall be authorized by a resolution of the governing body, which shall fix the actual or maximum face amount of the notes and the actual or maximum rate of interest to be paid upon the amount borrowed. The governing body may delegate to any officer the power to fix such face amount and rate of interest within the limitations prescribed by such resolution, and the power to dispose of such notes, which shall be executed under the seal of the county by the chairman and clerk of the board, or by any two officers designated by the board for that purpose, and any interest coupons thereto attached shall be signed with the manual or facsimile signature of said clerk or of any other officer designated by the board for that purpose.

SEC. 7. Certification of revenue anticipation notes. No revenue anticipation notes shall be valid unless there shall be written or printed on the face or the reverse thereof a statement signed by the chief financial officer of the county in the words: "This note and all other revenue anticipation notes of the county amount to less than 80 per cent of the amount of uncollected taxes and other revenue for the current year": *Provided, however*, that if such notes are issued under the authority given by section five of this act, said statement may be either in said words or in the words, "This note is issued under section five of the County Finance Act for the payment of principal or interest of bonds or notes."

SEC. 8. Purposes for which bonds may be issued and taxes levied. The special approval of the General Assembly is hereby given to the issuance by counties of bonds and notes for the special purposes named in this section, and to the levy of property taxes for the payment of such bonds and notes and interest thereon. Accordingly, authority is hereby given to all counties in the State, under the terms and conditions herein described, to issue bonds and notes, and to levy property taxes for the payment of the same, with interest thereon, for the following purposes, including therein purchase of the necessary land and, in the case of buildings, the necessary equipment.

- (a) Erection and purchase of schoolhouses.
- (b) Highway construction and reconstruction, including bridges and culverts.
- (c) Bridge construction.
- (d) Erection and purchase of courthouse and jails, including a public auditorium within and as a part of a courthouse.
- (e) Erection and purchase of county homes for the indigent and infirm.
- (f) Erection and purchase of hospitals.
- (g) Erection and purchase of public auditoriums.
- (h) Elimination of grade crossings over railroads and interurban railways, including approaches and damages, when not less than one-half of the cost shall be payable to the county at one time, or from time to time under contract made with a railroad or interurban railway company, the bonds herein authorized to be for the entire cost or any portion thereof.
- (i) Acquisition and improvement of lands for public parks and playgrounds.
- (j) Funding or refunding of valid indebtedness incurred before July first, one thousand nine hundred and twenty-seven, if such indebtedness be payable at the time of the passage of the order authorizing the bonds or be

payable within one year thereafter, or, although payable more than one year thereafter, is to be canceled prior to its maturity and simultaneously with the issuance of the funding or refunding bonds, and all debt not evidenced by bonds which was created for necessary expenses of any county and which remains outstanding at the ratification of this act is hereby validated.

(k) A portion to be determined by the governing body of the cost of construction of bridges at county boundaries, when an adjoining county or municipality, within or without the State, shall have agreed to pay the remaining cost of construction.

(l) A portion to be determined by the governing body of the cost of public buildings constructed or acquired in order that a part of such buildings may be used for a purpose hereinabove expressed when a municipality within the county shall agree to pay the remaining cost.

SEC. 9. Order of governing body required. Bonds of a county shall be authorized by an order of the governing body, the term "order" being here used to indicate the order, resolution, or measure which declares that bonds shall be issued, in order to differentiate the same from such subsequent resolution as may be passed in respect of details which such order is not required to contain. Such order shall state:

(a) In brief and general terms, the purpose for which the bonds are to be issued, but not more than one purpose of issue shall be stated, the purposes set forth in any one subsection of section eight of this act to be deemed as one purpose;

(b) The maximum aggregate principal amount of the bonds;

(c) That a tax sufficient to pay the principal and interest of the bonds when due shall be annually levied and collected;

(d) That a statement of the county debt has been filed with the clerk and is open to public inspection;

(e) A clause stating the conditions upon which the order will become effective, and the same shall become effective in accordance with such clause, which clause shall be as follows:

(1) If the bonds are funding or refunding bonds, that the order shall take effect upon its passage, and shall not be submitted to the voters; or

(2) If the bonds are for a purpose other than the payment of necessary expenses, or if the governing body, although not required to obtain the assent of the voters before issuing the bonds, deems it advisable to obtain such assent, that the order shall take effect when approved by the voters of the county at an election as provided in this act; or

(3) In any other case, that the order shall take effect thirty days after the first publication thereof after final passage, unless in the meantime a petition for its submission to the voters is filed under this act, and that in such event it shall take effect when approved by the voters of the county at an election as provided in this act.

SEC. 10. Order need not specify details of purpose. In stating the purpose of a bond issue, an order need not specify the location of any improvement or property, or the material of construction.

SEC. 11. Maturities of Bonds. All bonds shall mature in annual series as hereinafter provided, and no funding or refunding bonds shall mature after the expiration of the period herein fixed for such bonds, respectively; and

no other bonds shall mature after the expiration of the period estimated by the governing body as the life of the improvement for which the bonds are issued, each such period to be computed from a day not later than one year after the passage of the order. Such periods shall not exceed the following for the respective classes of bonds:

- (a) Funding bonds, fifteen years.
- (b) Refunding bonds, twenty years.
- (c) Bridge bonds (including retaining walls and approaches), forty years, unless constructed of wood and in that case, ten years.
- (d) Elimination of grade crossings, thirty years.
- (e) Lands for public parks and playgrounds, including improvements, buildings, and equipment, forty years.
- (f) Highway construction or reconstruction, including bridges and culverts, if the surface—

- (1) Is constructed of sand and gravel, five years;
- (2) Is of waterbound macadam or penetration process, ten years;
- (3) Is of brick, blocks, sheet asphalt, bitulithic or bituminous concrete, laid on a solid foundation, or is of concrete, twenty years.

(g) If, in the order of subsequent resolution, the governing body should be unwilling to provide that the surface of highways to be constructed or reconstructed with the proceeds of bonds shall have any surface described above, it shall be lawful to provide for a different surfacing if the State Highway Commission or the chairman thereof shall certify, and if an order or resolution of the governing body shall recite such certification (which recital shall be conclusive for the purpose of this act) that the surfacing so provided is believed to be of at least equal durability with the surfacing described in one or the other of the three classes of surfacing above described, and in that event the bonds shall not mature later than the period hereinabove provided for such similar surfacing.

(h) Public buildings, if they are—

(1) Of fireproof construction, that is, a building the walls of which are constructed of brick, stone, iron or other hard, incombustible materials, and in which there are no wood beams or lintels, and in which the floors, roofs, stair halls, and public halls are built entirely of brick, stone, iron or other hard, incombustible materials, and in which no woodwork or other inflammable materials are used in any of the partitions, flooring, or ceiling (but the building shall be deemed to be of fireproof construction, notwithstanding that elsewhere than in the stair halls and entrance halls there is wooden flooring supported by wooden sleepers on top of the fireproof floor, and that it contains wooden handrails and treads, made of hardwood, not less than two inches thick), forty years;

(2) Of non-fireproof construction, that is, a building the outer walls of which are constructed of brick, stone, iron or other hard, incombustible materials, but which in any other respect differs from a fireproof building as defined in this section, thirty years;

(3) Of other construction, twenty years.

SEC. 12. Consolidated bond issues. It shall be lawful to consolidate into one issue bonds authorized by two or more orders for different purposes, in which event the bonds of such consolidated issue shall mature within the average of the periods estimated as the life of the several improve-

ments, taking into consideration the amount of bonds to be issued on account of each item for which a period shall be estimated.

SEC. 13. Sworn statement of debt, before authorization of bonds for school purposes. After the introduction, and at least ten days before the final passage of an order for the issuance of bonds for school purposes, an officer designated by the governing body for that purpose shall file with the clerk a statement of debt incurred and to be incurred for school purposes under orders either introduced or passed, whether evidenced by bonds, notes, or otherwise, and whether incurred by original creation of the debt or by assumption of debt, including debt incurred by the county board of education, and including debt to the State or to any department thereof, but not including obligations incurred to meet appropriations in anticipation of revenues to an amount not exceeding the amount of the last preceding tax levy for school purposes, nor including debt incurred in anticipation of the sale of any kind of bonds except funding and refunding bonds, which statement shall show the following:

- (a) The assessed valuation of property as last fixed for county taxation.
- (b) Outstanding school debt.
- (c) Bonded school debt to be incurred under orders either passed or introduced.
- (d) The sum of items "b" and "c."
- (e) School sinking funds, being money or investments thereof pledged and held for the payment of principal of outstanding school debt.
- (f) School credits, being principal sums owing to the county from school districts which are pledged to and when collected will be used in the retirement of outstanding school debt.
- (g) Amount of unissued funding and refunding school bonds included in gross debt.
- (h) The sum of items "e" and "f" and "g."
- (i) Net school debt, being the sum by which item "d" exceeds item "h."
- (j) The percentage that the net school debt bears to said assessed valuation.

SEC. 14. Sworn statement of debt before authorization of bonds for other than school purposes. After the introduction, and at least ten days before the final passage of an order for the issuance of bonds for other than school purposes, an officer designated by the governing body for that purpose shall file with the clerk a statement of debt incurred and to be incurred for other than school purposes under orders either introduced or passed, whether evidenced by bonds, notes, or otherwise, and whether incurred by original creation of the debt or by assumption of the debt, including debt to the State or any department thereof, but not including obligations incurred to meet appropriations in anticipation of revenues to an amount not exceeding the amount of the last preceding tax levy for other than school purposes, or including debt incurred in anticipation of the sale of any kind of bonds except funding and refunding bonds, which statement shall show the following:

- (a) The assessed valuation of property as last fixed for county taxation.
- (b) Outstanding debt for other than school purposes.
- (c) Bonded debt to be incurred for other than school purposes under orders either passed or introduced.

(d) The sum of items "b" and "c."

(e) Sinking fund (except school sinking fund), being money or investments thereof pledged and held for the payment of principal of debt outstanding for other than school purposes.

(f) Moneys payable to the county by a railroad or interurban railway company, under contract, as all or part of the cost of grade crossing elimination, if such moneys are pledged to and when collected will be used in the retirement of outstanding debt for other than school purposes.

(g) Amount of unissued funding and refunding bonds not for school purposes included in gross debt.

(h) The sum of items "e," "f," and "g."

(i) Net debt for other than school purposes, being the sum by which item "e" exceeds item "h."

(j) The percentage that the net debt for other than school purposes bears to said assessed valuation.

SEC. 15. Financial statement filed for inspection. The sworn statement of debt shall remain on file with the clerk and be open to public inspection. In any action or proceeding in any court involving the validity of bonds, said statement shall be deemed to be true and to comply with the provisions of this act, unless it appears, in an action or proceeding commenced within the time limited by this act for actions to set aside bond orders: first, that the representations contained therein could not by any reasonable method of computation be true; or, second, that a true statement would show that the order authorizing the bonds could not be passed.

SEC. 16. Publication of bond order. As soon as possible after the introduction of the order and the filing of the financial statement hereinabove required, the clerk shall publish the order as introduced. Before publishing the same, he shall fix an hour and a day for a public hearing upon the order unless the governing body shall itself have fixed such hour and day. The hour and day, if fixed by the clerk, shall be 10 o'clock a.m. of the first Monday of the following month, if ten days shall elapse between such publication and the day so fixed, but otherwise shall be 10 o'clock a.m. of the first Monday of the next succeeding month. In connection with the publication of the order, and immediately below the same, the clerk shall publish a statement signed by him, with blanks properly filled in substantially the following form:

The foregoing order has been introduced and a sworn statement has been filed under the County Finance Act, showing the assessed valuation of the county to be \$———, and the net debt for school purposes (substitute net debt for other than school purposes if the proposed bonds are for other than school purposes), including the proposed bonds, to be \$———. A tax will be levied for the payment of the proposed bonds and interest, if the same shall be issued. Any citizen or taxpayer may protest against the issuance of such bonds at a meeting of the board of county commissioners to be held at o'clock M., 19....., or an adjournment thereof.

.....
Clerk of Board of Commissioners.

SEC. 17. Hearing; passage of order; debt limitations. On the day so fixed for the public hearing, but not earlier than ten days after the first

publication of the order, the governing body shall hear any and all citizens and taxpayers who may desire to protest against the issuance of the bonds, but such hearing may be adjourned from time to time. After such hearing, the governing body may pass the order in the form of its introduction, or in an amended form, but the amount of bonds to be issued shall not be increased by such amendment, nor the purpose of issuance substantially changed without due notice and hearing as above required: *Provided, however,* that no order for the issuance of school bonds shall be passed unless it appears from said sworn statements that the net school indebtedness does not exceed five per cent of said assessed valuation, unless the bonds to be issued are funding or refunding bonds; and no order shall be passed for the issuance of bonds other than school bonds unless it appears from said sworn statement that the net indebtedness for other than school purposes does not exceed five per cent of said assessed valuation, unless the bonds to be issued are funding or refunding bonds: *Provided, however,* that if the net school debt of any county shall, on the day this act is ratified, be in excess of four-fifths of the limitation above fixed therefor, such order for the issuance of school bonds may be passed, if the net debt shall not be increased thereby more than two per cent of such assessed valuation; and that if the net debt of any county for other than school purposes shall, on the day this act is ratified, be in excess of the four-fifths of the limitations above fixed therefor, such order may be passed if the net debt for other than school purposes shall not be increased thereby more than two per cent of such assessed valuation: *Provided, further,* that if any county shall assume all outstanding indebtedness for school purposes of every city, town, school district, school taxing district, township or other political subdivision therein, the limit of the net debt of such county for school purposes, including the debt so assumed, shall be eight per cent (8%), and the privilege of creating or assuming an additional gross debt of two per cent (2%) under certain circumstances shall not be allowed such county.

SEC. 18. Material of construction and other details. The statements as to kind and material of construction, so far as the same constitute conditions upon which maturities of bonds are to be determined under this act, as well as all details of bonds not required to be set forth in the order, may be set forth in resolution or resolutions to be passed on or after the passage of the order and before the issuance of the bonds.

SEC. 19. Publication of bond order. A bond order after final passage thereof shall be published once in each of two successive weeks after its final passage. A notice substantially in the following form (the blanks being first properly filled in), with the printed or written signature of the clerk appended thereto, shall be published with the order:

The foregoing order was finally passed on the day of, 19....., and was first published on the day of, 19..... Any action or proceeding questioning the validity of said order must be commenced within thirty days after its first publication.

.....
Clerk.

SEC. 20. Limitation of action to set aside order. Any action or proceeding in any court to set aside a bond order or to obtain any other relief, upon the ground that the order is invalid, must be commenced within thirty days

after the first publication of the notice aforesaid and the order or supposed order referred to in the notice. After the expiration of such period of limitations, no right of action or defense upon the validity of the order shall be asserted, nor shall the validity of the order be open to question in any court upon any ground whatever, except in an action or proceeding commenced within such period.

SEC. 21. Petition for referendum of bond order. A petition demanding that a bond order be submitted to the voters may be filed with the clerk within thirty days after the first publication of the order. The petition shall be in writing and signed by voters of the county equal in number to at last fifteen per centum of the total number of votes cast at the last preceding election for the office of Governor. The residence address of each signer shall be written after his signature. The petition need not contain the text of the order to which it refers. The petition need not be all on one sheet, and if on more than one sheet, it shall be verified as to each sheet. The clerk shall investigate the sufficiency of the petition and present it to the governing body with a certificate stating the result of his investigation. The governing body, after hearing any taxpayer who may request to be heard, shall thereupon determine the sufficiency of the petition, and the determination of the governing body shall be conclusive.

SEC. 22. What majority required. If a bond order provides for the issuance of bonds for a purpose other than the payment of necessary expenses of the county, the approval of the qualified voters of the county, as required by the Constitution of North Carolina, shall be necessary in order to make the order operative. If, however, the bonds are to be issued for necessary expenses, the affirmative vote of the majority of the voters voting on the bond order shall be sufficient to make it operative, in all cases where the order is required by this act to be submitted to the voters.

SEC. 23. When election held. Whenever the taking effect of an order authorizing the issuance of bonds is dependent upon the approval of the order by the voters of a county, the governing body may submit the order to the voters at an election to be held not more than one year after the passage of the order. The governing body may call a special election for that purpose, or may submit the order to the voters at the regular election for county officers next succeeding the passage of the order, but no such special election shall be held within one month before or after a regular election for county officers. Several orders or other matters may be voted upon at the same election.

SEC. 24. New registration. The governing body of the county in which such election is held may in their discretion order a new registration of the voters for such election. The books for such new registration shall remain open in each precinct from 9 a.m. to 6 p.m. on each day, except Sundays and holidays for three weeks, beginning on a Saturday morning and ending on the second Saturday evening before the election. A registrar and two judges of election shall be appointed by the governing body for each precinct: *Provided*, that the books shall be open at the polling places on each Saturday during the registration period. Sufficient notice shall be deemed to have been given of such new registration and of the appointment of the election officers if a notice thereof be published at least thirty (30) days before the closing of the registration books, stating the hours and days for

registration. It shall not be necessary to specify in said notice the places for registration. In case any registrar shall fail or refuse for any cause to perform his duties, it shall be lawful for the clerk to appoint another person to perform such duties, and no notice of such appointment shall be necessary.

SEC. 25. Notice of election. A notice of the election shall be deemed sufficiently published if published once not later than thirty (30) days before the election, and thereafter twice before the election, at intervals of at least one week between publications. Such notice shall state the date of the election, the maximum amount of the proposed bonds and the purpose thereof, and the fact that tax will be levied for the payment thereof. The notice shall state the places at which the election will be held, but without enumeration thereof may state that the election will be held at the same places at which the last preceding election was held for members of the General Assembly, with such changes as may have been ordered by the governing body.

SEC. 26. Ballots. The form of the question as stated on the ballot or ballots shall be in substantially the words: "For the order authorizing \$..... bonds (briefly stating the purpose) and a tax therefor," and "Against the order authorizing \$..... bonds (briefly stating the purpose) and a tax therefor." Such affirmative and negative forms may be printed upon separate ballots or both thereof may be printed on one ballot, containing squares opposite the affirmative and the negative forms, in one of which squares the voter may make a mark (X). Ballots so prepared shall be deemed sufficient, but the requirements of this section are not mandatory.

SEC. 27. Returns canvassed. The officers appointed to hold the election, in making return of the result thereof, shall incorporate therein not only the number of votes cast for and against each order submitted, but also the number of voters registered and qualified to vote in the election. The governing body shall canvass the returns, and shall include in their canvass the votes cast and the number of voters registered and qualified to vote in the election, and shall determine and declare the result of the election.

SEC. 28. Application of other laws. Except as herein otherwise provided, the registration and election shall be conducted in accordance with the laws then governing elections for members of the General Assembly in said county, and governing the registration of electors for such elections, and the provisions of the Australian Ballot Law shall not apply to registrations and elections under this act.

SEC. 29. Statement of result. The governing body shall prepare a statement showing the number of votes cast for and against each order submitted, and the number of voters qualified to vote in the election, and declaring the result of the election, which statement shall be signed by a majority of the members of the governing body and delivered to the clerk, who shall record it in the minutes of the governing body, and file the original in his office and publish it once.

SEC. 30. Limitation as to actions upon elections. No right of action or defense founded upon the invalidity of the election shall be asserted nor shall the validity of the election be open to question in any court upon any ground whatever, except in an action or proceeding commenced within

thirty days after the publication of such statement of result as provided in section 29 hereof.

SEC. 31. Preparation for issuing bonds. At any time after the final passage of a bond order all steps preliminary to the actual issuance of bonds under the order may be taken, but the bonds shall not be actually issued unless and until the order takes effect.

SEC. 32. Within what time bonds issued. After a bond order takes effect, bonds may be issued in conformity with its provisions at any time within three years after the order takes effect, unless the order shall have been repealed, which repeal is permitted (without the privilege of referendum upon the question of repeal) unless notes issued in anticipation of the proceeds of the bonds shall be outstanding.

SEC. 33. Bonded debt payable in installments. Each bond issue made under this act shall mature in annual installments or series, the first of which, if funding bonds, shall be made payable not more than two years, and if not funding bonds, not more than three years, after the date of the first issued bonds of such issue, and the last within the period prescribed by section 11 of this act for bonds of the class issued. No such installment or series shall be more than two and one-half times as great in amount as the smallest prior installment or series of the same bond issue. If all the bonds of an issue are not issued at the same time, the bonds at any one time outstanding shall mature as aforesaid.

SEC. 34. Medium and place of payment. The bonds may be made payable in such kind of money and at such place or places, within or without the State of North Carolina, as the governing body may by resolution provide.

SEC. 35. Formal execution of bonds. The bonds shall be issued in such forms as the officer who executes them shall adopt, except as otherwise provided by the governing body. They shall be signed by two or more officers designated by the governing body, or if the governing body makes no such designation, then by the chairman of the governing body and by the clerk, and the corporate seal of county or of the governing body shall be affixed to the bonds. The bonds may have coupons attached for the interest to be paid thereon, which coupons shall bear a facsimile signature of the clerk in office at the date of the bonds or at the date of delivery thereof. The delivery of bonds so executed shall be valid, notwithstanding any change in officers or in the seal of the county occurring after the signing and sealing of the bonds.

SEC. 36. Registration and transfer of bonds.

(a) *Bonds payable to bearer.* Bonds issued under this act shall be payable to the bearer unless they are registered as provided in this section, and each coupon appertaining to a bond shall be payable to the bearer of the coupon.

(b) *Registration and effect.* A county may keep in the office of a county officer to be designated by the governing body, or in the office of a bank or trust company appointed by the governing body as bond registrar, a register or registers for the registration and transfer of its bonds, in which it may register any bond at the time of its issue or, at the request of the holder, thereafter. After such registration, the principal and interest of the bond shall be payable to the person in whose name it is registered except in the

case of a coupon bond registered as to principal only, in which case the principal shall be payable to such person, unless the bond shall be discharged from registry by being registered as payable to bearer. After registration, a bond may be transferred on such register by the registered owner in person or by attorney, upon presentation to the bond registrar, accompanied by delivery of a written instrument of transfer in a form approved by the bond registrar, executed by the registered owner.

(c) *Registration and transfer noted on bond.* Upon the registration or transfer of a bond as aforesaid, the bond registrar shall note such registration or transfer on the back of the bond. Upon the registration of a coupon bond, as to both principal and interest, he shall also cut off and cancel the coupons, and endorse upon the back of a bond a statement that such coupons have been canceled.

(d) *Agreement for registration.* A county may, by recital in its bonds, agree to register the bonds as to principal only, or agree to register them either as to principal only or as to both principal and interest, at the option of the bondholder.

SEC. 37. Sale of bonds. All bonds of a county shall be sold at not less than par, and they shall be sold upon sealed proposals, after advertisement as herein provided, unless the sale is made within thirty days after failure to receive any legally acceptable bid in response to such advertisement. Whenever bonds are to be sold pursuant to advertisement, a notice shall be published at least ten days before the date for receipt of bids, as herein required for other county publications, and in addition thereto a notice shall be published at least ten days before the date fixed for receipt of bids in a financial paper or trade journal published within the State of North Carolina which publishes from time to time notices of the sale of public securities, and also in a financial journal published in New York City, or in a financial or trade journal published in Baltimore, a determination of the governing body that such papers or journals are ones which comply with this requirement to be conclusive. Such notice shall state that the bonds are to be sold upon sealed bids, and shall indicate the amount thereof, the place of sale, and the time of sale or time limited for receipt of proposals. The notice as published in the county and in the financial paper or trade journal published within the State of North Carolina shall also describe the bonds to be sold, and shall state that bidders must present with their bids a certified check upon an incorporated bank or trust company unconditionally, payable to the order of the county or of an executive, financial, or clerical officer thereof, for 2 per cent of the face value of bonds bid for, the purpose of such deposit being to secure the county against any loss resulting from the failure of the bidder to comply with the terms of his bid. Proposals submitted to such notice shall be open in public, and the bonds shall be awarded to the highest bidder, if a fixed rate of interest is named in the notice, or shall be awarded to the highest bidder for the lowest rate upon which a legal offer is made, if the notice states that bidders may bid upon different rates of interest: *Provided, however,* that all bids may be rejected, and if any bid so rejected was legally acceptable, the bonds shall not be sold until after further advertisement as herein provided for the first advertisement.

SEC. 38. Application of funds. The proceeds of the sale of bonds and bond anticipation notes under this act shall be used only for the purposes specified

in the order authorizing said bonds, and for the payment of the principal and interest of such notes issued in anticipation of the sale of bonds: *Provided, however,* that if for any reason any part of such proceeds are not applied to or are not necessary for such purposes, such unexpended part of the proceeds shall be applied to the payment of the principal or interest of said bonds. The cost of preparing, issuing and marketing bonds shall be deemed to be one of the purposes for which the bonds are issued. If any notes issued in anticipation of the sale of bonds shall be outstanding and unpaid when the proceeds of the sale of bonds are received, such proceeds, or an amount thereof sufficient to retire such notes, shall be immediately, upon the receipt thereof, placed in a separate fund, which shall be held and used solely for the payment of such notes. If any member of the governing body or any county officer shall vote to apply or shall apply, or shall participate in applying any proceeds of bonds or bond anticipation notes in violation of this section, such member or such officer shall be guilty of a felony, and shall be prosecuted by the solicitor of the district in which the county lies, and shall be fined not more than ten thousand dollars (\$10,000) or imprisoned in the State's Prison not more than twenty years, or both, at the discretion of the court, and shall forfeit and pay to any taxpayer or any holder of such bonds or notes who sues for the same the sum of two hundred dollars for each such act, and also all damages caused thereby.

SEC. 39. Bond anticipation loans. At any time after a bond order has taken effect, as provided in section 9 of this act, a county may borrow money for the purposes for which the bonds are to be issued, in anticipation of the receipts of the proceeds of the sale of bonds, and within the maximum authorized amount of the bond issue. Such loans shall be paid not later than three years after the time of taking effect of the order authorizing the bonds upon which they are predicated. The governing body may, in its discretion, retire any such loans by means of current revenues or other funds, in lieu of retiring them by mean of bonds: *Provided, however,* that the governing body, at or before the actual retirement of any such loan by any means other than the issuance of bonds under the bond order upon which such loan is predicated, shall amend or repeal such order so as to reduce the authorized amount of the bond issue by the amount of the loan to be so retired. Such an amendatory or repealing order shall take effect upon its passage, and need not be published. Negotiable notes shall be issued for all moneys so borrowed. Such notes may be renewed from time to time, and money may be borrowed upon notes from time to time for the payment of any indebtedness evidenced thereby, but all such notes shall mature within the time limited by this section for the payment of the original loan. No money shall be borrowed under this section at a rate of interest exceeding the maximum rate permitted by law. The said notes, if maturing not more than six months from their date, may be disposed of by public or private negotiations, after five days notice published in some newspaper having a general circulation in the county, but if maturing more than six months from date, they shall be sold after advertisement as provided in this act for advertisement and sale of bonds. The issuance of such notes shall be authorized by resolution of the governing body, which shall fix the actual or maximum face amount of the notes and the actual or maximum rate of interest to be paid upon the amount borrowed. The governing body may dele-

gate to any officer the power to fix said face amount and rate of interest with the limitations prescribed by said resolution and the power to dispose of said notes. All such notes shall be executed in the manner provided in section 35 of this act for the execution of bonds. They shall be submitted to and approved by the attorney for the county before they are issued, and his written approval endorsed on the notes.

SEC. 40. Bonds and notes shall recite the authority for issuance. All bonds and notes authorized by this act shall recite that they are issued under and pursuant to this act.

SEC. 41. Taxes levied for payment of bonds. The full faith and credit of the county shall be deemed to be pledged for the punctual payment of the principal of and interest on every bond and note issued under this act, including bonds for which special funds are provided. The governing body shall annually levy and collect a tax *ad valorem* upon all the taxable property in the county sufficient to pay the principal and interest of all bonds issued under this act as such principal and interest become due: *Provided, however,* that such tax may be reduced by the amount of other moneys appropriated and actually available for such purpose. The powers stated in this section in respect to the levy of taxes for the payment of the principal and interest of bonds and notes shall not be subject to any limitation prescribed by law upon the amount or rate of taxes which a county may levy; the General Assembly does here give its special approval to the levy of taxes in the manner and to the extent provided by this act for the payment of obligations incurred pursuant to this act for the special purposes for which such obligations are in this act authorized. Taxes levied under this section shall be levied and collected in the same manner as other taxes are levied and collected upon property in the county. If any member of the governing body or any county officer shall vote to apply or shall apply or participate in applying any taxes in violation of this section, such member or officer shall be guilty of a felony, and shall be prosecuted by the solicitor of the district in which the county lies, and shall be fined not more than ten thousand dollars (\$10,000) or imprisoned in the State Prison not more than twenty years, or both, at the discretion of the court, and shall forfeit and pay to any taxpayer or any holder of such bonds or notes who sues for the same the sum of two hundred dollars for each such act, and also all damages caused thereby.

SEC. 42. Enforcement of act. If any boards or officer of a county shall be ordered by a court of competent jurisdiction to levy or collect a tax to pay a judgment or other debt, or to perform any duty required by this act to be performed by such board or officer, and shall fail to carry out such order, the court, in addition to all other remedies, may appoint its own officers and other persons to carry out such order and remove such board or officer who has thus refused to carry out such order.

SEC. 43. Repeals. All acts and parts of act, whether general, special, private or local, authorizing or limiting or prohibiting the issuance of bonds or other obligations of a county or counties, are hereby repealed: *Provided further,* that the repeal shall not affect the validity of any bonds or obligations heretofore issued or incurred, nor shall such repeal affect the powers, duties or obligations for providing for the payment of such bonds or obligations or interest thereon: *Provided further,* that this act shall not affect any

local or private act enacted at the present session of the General Assembly, but the powers hereby conferred and the methods of procedure hereby provided shall be deemed to be conferred and provided in addition to and not in substitution for those conferred or provided by any such local or private act enacted at the present session of the General Assembly; and any county may at its option proceed under any such local or private act applicable to it enacted at the present session of the General Assembly, without regard to the restrictions imposed by this act, or may proceed under this act without regard to the restrictions imposed by such local or private act: *Provided further*, that any county which, prior to the ratification of this act, has entered into a valid contract for permanent improvements for which, prior to the ratification of this act, such county was empowered by law to issue bonds in sufficient amount, is hereby authorized to issued such an amount of bonds as may be necessary to comply with said contract, either in the manner provided by this act or in the manner provided by law at the time such contract for permanent improvements was made: *Provided further*, that nothing herein contained shall be applicable to or shall govern the method by which any county board of education may borrow money from the special building fund created by chapter 201, Public Laws of 1925, or from any special building fund of the State created by any law enacted at the Regular Session of the General Assembly of 1927, but the limitations of this act upon the amount of net school debt shall apply to such borrowing:

Provided further, that nothing herein contained shall have the effect of repealing any act now in force, or enacted by the session of the General Assembly of one thousand nine hundred twenty-seven, requiring the question of issuing bonds by any county to be submitted to a vote of the people.

Provided, no bonds in Rockingham County and New Hanover shall be issued under the terms of this bill without a majority vote of the qualified voters of Rockingham and New Hanover County, and all local laws of Rockingham County governing the issuing of bonds shall remain in full force and effect, and that the Budget Law of Rockingham and New Hanover County shall remain in full force and effect.

SEC. 44. Publication and mailing of copies of this act. Immediately after the ratification of this act, the Secretary of State shall cause to be printed in pamphlet form at least one thousand five hundred copies thereof, and shall cause a copy of such pamphlet to be mailed to the chairman of the governing body and to the clerk and county attorney and county treasurer or county financial officer of each county in this State.

SEC. 45. That this act shall be in force from and after its ratification.

Ratified this the 7th day of March, 1927.

1927, c. —.

AMENDMENTS TO 1923 SCHOOL CODE*

A STANDARD HIGH SCHOOL

SEC. 8. A Standard high school defined. A standard high school is defined as a high school that presents the following minimum requirements: A school term of not less than 160 days, four years or grades of work beyond the seventh elementary grade, three teachers holding required certificates, not less than forty-five pupils in average daily attendance, a program of studies approved by the State Superintendent of Public Instruction, and such equipment as may be deemed necessary by the State Superintendent of Public Instruction to make the instruction beneficial to pupils: *Provided, however, that in schools maintaining a nine months term, meeting all other requirements, and offering superior instruction, fewer than forty-five pupils in average daily attendance may be considered.*

C. S. (III), 5392; 1927, c. —, s. 1.

COMMISSIONERS MAY BORROW

SEC. 56. Authority to borrow. If the taxes for the current year are not collected when the salaries and other necessary operating expenses come due, and the money is not available for meeting the necessary expenses, it shall be the duty of the county board of *commissioners* to borrow against the amount approved in the budget and to issue short-term notes for the amounts so borrowed. The interest on all such notes shall be provided by the commissioners in addition to the amount approved in the budget, unless this item is specifically taken care of in the budget. But if the county board of education shall willfully create a debt that shall in any other way cause the expenses for the year to exceed the amount authorized in the budget without the approval of the county commissioners, the indebtedness shall not be a valid obligation of the county, and the members of the board responsible for making the debt may be held liable for the same.

C. S. (III), 5464; 1927, c. —, s. 18.

For the authority of the commissioners to borrow for the county board of education, see also s. 189.

DISBURSEMENT OF SCHOOL FUNDS

(Section as Rewritten)

SEC. 58. The county board of education shall divide the funds belonging to the county into two classes. (1) *those apportioned to districts for salaries for instructional service and other regular employees and (2) those reserved to the county board of education for all other necessary expenses included in the budget under current expense fund, capital outlay fund, and debt service fund.*

*Amendments are printed in italics.

The treasurer shall pay out funds reserved to the county board of education only on warrants signed by the chairman and secretary of said board. The treasurer shall pay out county funds apportioned to the districts for the six months term, special tax funds, and supplemental funds from other sources only on a properly executed order signed by a majority of the district committee, one of whom shall be the secretary and countersigned by the county superintendent: Provided, however, all supplements on salaries payable during the six months term from local taxes shall be drawn on separate vouchers: Provided, further, that the county board of education may at any time prohibit the district committee from spending illegally the district funds including the special local-tax funds.

C. S. (III), 5466; 1927, c. —, s. 20.

SCHOOL BUILDINGS; ERECTION AND INSPECTION

SEC. 60. **The erection of schoolhouses.** The building of all new schoolhouses and the repairing of all old schoolhouses over which the County Board of Education has jurisdiction, shall be under the control and direction of and by contract with the county board of education. But the board shall not be authorized to invest any money in any new house that is not built in accordance with plans approved by the State Superintendent, nor for more money than is made available for its erection. All contracts for buildings shall be in writing, and all buildings shall be inspected, received, and approved by the county superintendent of public instruction before full payment is made therefor: *Provided*, this section shall not prohibit county boards of education and boards of trustees from having the janitor or any regular employee to repair the buildings.

From any moneys loaned by the State to any one of the several counties for the erection, repair or equipment of school buildings, teacherages and dormitories, the State Board of Education, under such rules as it may deem advisable not inconsistent with the provisions of this article, may retain an amount not to exceed fifteen per cent of the said loan until such completed buildings, erected or repaired, in whole or in part from such loan funds, shall have been approved by such agent as the State Board of Education may designate: Provided, that upon the proper approval of the completed building the State Treasurer, upon requisition of the State Superintendent of Public Instruction, authorized and directed by the State Board of Education, shall pay to the treasurer of the county the remaining part of said loan, together with interest from the date of the loan at a rate not less than three per cent on monthly balances.

C. S. (III), 5468; 1925, c. 221.

CONDEMNATION OF SCHOOL SITES

SEC. 61. **How to secure suitable sites.** The county board of education or board of trustees of any special charter district may receive by gift or by purchase suitable sites for schoolhouses or other school buildings. But whenever any such board is unable to obtain a suitable site for a school or school building by gift or purchase, the board shall report to the county superintend-

ent of public instruction, who shall, upon five days notice to the owner or owners of the land, apply to the clerk of the Superior Court of the county in which the land is situated for the appointment of three appraisers, who shall lay off by metes and bounds not more than ten acres, and shall assess the value thereof. They shall make a written report of their proceedings, to be signed by them, or by a majority of them, to the clerk within five days of their appointment, who shall enter the same upon the records of the court. The appraisers and officers shall serve without compensation. If the report is confirmed by the clerk, the chairman and the secretary of the board shall issue an order on the treasurer of the county school fund, *or, if a charter district, upon the treasurer of such charter district*, in favor of the owner of the land thus laid off, and upon the payment, or offer of payment, of this order, the title to such land shall vest in fee simple in the corporation. Any person aggrieved by the action of the appraisers may appeal to the Superior Court in term, upon giving bond to secure the board against such costs as may be incurred on account of the appeal not being prosecuted with effect. If the lands sought to be condemned hereunder, or any part of said lands, shall be owned by a nonresident of the State, before the clerk shall appoint appraisers therefor, notice to such nonresident owners shall be given of such proceedings to condemn, by publication for thirty days in some newspaper published in the county, and if no newspaper is published in the county, then by posting such notice at the courthouse door and three other public places in the county for the period of thirty days.

C. S. (III), 5469; Ex. Sess. 1924, c. 121, s. 1.

COUNTY BOARDS MAY AID CHARTER DISTRICTS IN THE ERECTION OF SCHOOLHOUSES

SEC. 64. Board cannot erect or repair a building unless site is owned by board. The county board of education shall make no contract for the erection or repair of any school building, unless the site on which it is located is owned by the county board of education, and the deed for the same is properly registered and deposited with the clerk of the court: *Provided, it shall be lawful for the county board of education to borrow from the State Literary or Special Building Funds, for the benefit of special charter districts and to allocate the proceeds of county school building bonds between special charter and county schools in proportion to the respective needs of the charter schools and the county schools at the time when such county bonds are authorized: Provided further, that the title to the site in any special charter district so aided shall be vested in the board of trustees of the charter district.*

C. S. (III), 5472; 1925, c. 180, s. 1.

THE COUNTY-WIDE PLAN

SEC. 73a. County-wide plan of organization. The county board of education shall create no new district nor shall it divide or abolish a district, nor shall it consolidate districts or parts of districts, except in accordance with a county-wide plan of organization as follows:

1. The county board of education shall present a diagram or map of the county showing the present location of each district, the position of each, the location of roads, streams and other natural barriers, the number of children in each district, the size and condition of each school building in each district. The county board of education shall then prepare a county-wide plan for the organization of all the schools of the county. This plan shall indicate the proposed changes to be made and how districts or parts of districts are proposed to be consolidated so as to work out a more advantageous school system for the entire county.

2. Before adopting the county-wide plan, the county board of education shall call a meeting of all the school committeemen and the boards of trustees and lay the proposed plan before them for their advice and suggestions. After receiving the advice of the committeemen and trustees, the county board of education shall have authority to adopt a county-wide plan of organization, and no districts or parts of any district, including non-local tax, local tax, and special charter districts hereafter referred to in this article, shall be consolidated or the boundary lines changed, unless the consolidation or the change of boundary lines is in accordance with the adopted county-wide plan of organization: *Provided*, that in the event the county board of education deems it wise to modify or change the adopted plan, the board shall notify the committeemen and interested patrons and give them a hearing if they desire to be heard before any changes shall be made.

The meeting required to be held before the adoption of the county-wide plan shall be called, and the notification required to be given of a contemplated modification or change of an adopted plan shall be given by publication once, at least ten days before the meeting or the hearing, in a newspaper published at the county-seat, of a notice addressed to those affected thereby, giving the hour and day and place of the meeting or the hearing and the purpose thereof, and by the mailing to or serving of like notices upon all committeemen and trustees.

If no newspaper be published in the county-seat, such notice shall be posted at the courthouse door and at a public place in each township in the county ten days prior to such meeting.

No adoption or amendment of such plan shall be held invalid or ineffectual because of any failure to comply with the requirement hereof as to the mailing or service of notice.

3. The county board of education shall have authority to execute the entire plan or any part of the same, but the county board of education shall have no authority to create a debt for the execution of any part of the proposed plan, unless authorized by law, and if the amount necessary to put into operation all or any part of said plan shall be greater than the amount that may be reasonably expected from the Operating and Equipment Fund for this purpose, the amount shall be guaranteed by the districts affected by the execution of the plan, or if the districts do not guarantee the funds the county board of education shall lay the proposed plan before the county commissioners, together with the estimated amount necessary to put the same into operation, and if the amount necessary to carry out all or any part of the proposed plan shall be approved by the county commissioners, the county board of education shall then have the authority to organize the districts in accordance with the county-wide plan.

4. When the proposed county-wide plan is adopted the county board shall notify the committeemen and boards of trustees as to what part of the plan the board proposes to carry out first and in what order the other parts of the plan will be considered, and the preference shall be given to those districts in which the needs are greatest if the funds for providing the equipment are made available.

5. In the event that any child or children of any district or any part of a district are without adequate school advantages and these advantages may be improved by transferring said child or children to a school or schools in adjoining districts, the county board shall have authority to make such a transfer. But this shall not empower the county board of education to abolish or divide a district unless such act shall be in harmony with the county-wide plan of organization. The temporary transfer of such child or children may be made until such time as the county-wide plan will provide more advantageously for them.

C. S. (III), 5481; Ex. Sess. 1924, c. 121, s. 2.

CHANGING BOUNDARIES OF SPECIAL CHARTER DISTRICTS

SEC. 79. **Changing the boundary lines of the special charter districts.** Upon the written petition of the governing body of a special charter district the county board of education is authorized to change the boundary line between special charter districts and local tax districts, and to consolidate local tax districts with a special charter district, but a record shall be made of the petition in the minutes of the governing body of the special charter district and a record shall be made in the minutes of the county board of education, stating that the petition was received and the request was granted. Then the boundary line shall be changed and the consolidation made and properly recorded, and the new boundary line shall be clearly set forth in the minutes of both boards: *Provided, that when the tax rates are not the same, only the lower rate of tax may be levied in the whole territory.*

C. S. (III), 5487; 1925, c. 150, s. 1.

REVENUE FOR THE PUBLIC SCHOOLS

(As Rewritten and Amended)

ART. 13. HOW TO ESTIMATE AMOUNT NECESSARY FOR SIX MONTHS TERM.

SEC. 172. **Duty of county board of education and county commissioners.** It shall be the duty of the county board of education of each county to make a fair estimate in accordance with law of the amount necessary to provide a six months school term, and it shall be the duty of the county commissioners of each county to determine and provide the amount necessary to maintain the schools six months in accordance with law. And either the members of the county board of education or the members of the board of county commissioners failing to perform their respective duties shall be guilty of a misdemeanor, and upon conviction shall be fined or imprisoned in the discretion of the court.

C. S. (III), 5585.

SEC. 173. The Equalizing Fund. There is hereby appropriated annually from the State public school fund, as may be otherwise provided by law, an amount sufficient to equalize as near as may be the financial burden of supporting a six months school term in the several counties of the State. This fund shall be designated "The State Equalizing Fund," which shall be apportioned by the State Board of Education to counties needing aid in such a way as to encourage the counties receiving aid to improve their schools by securing efficient organization, administration, supervision, and well trained teachers.

C. S. (III), 5586.

SEC. 174. The May budget. The county board of education shall fix a date during the month of May when the school budget for all the schools of the county for the next ensuing year shall be prepared. The county board of education shall notify the board or boards of trustees of the special charter districts to prepare their budgets for the six months school term and present the same at the time fixed by the county board of education for preparing the May budget. Said board shall also notify the chairman of the board of county commissioners at least twenty days before the date of meeting and the school budget for the next ensuing year is to be prepared and that the board of county commissioners or a representative selected by the commissioners is required by law to be present and sit with the county board of education when the May budget is prepared. But if the board of county commissioners or its representative shall fail to attend said meeting after being duly notified, the county board of education shall have authority to proceed and prepare the budget in accordance with the provisions of this article.

If for good and sufficient reason the budget is not completed at the time appointed by the county board for preparing the May budget, said board may appoint a later date and notify the board or boards of trustees and the county commissioners of the later date selected. The budget shall be prepared by the county board of education on blanks provided for that purpose, and it shall set forth the total estimated cost of maintaining all the schools of the county for six months, including the special charter districts, and it shall be subscribed and sworn to by the chairman and secretary of the county board of education and presented to the board of county commissioners on or before the first Monday in June.

C. S. (III), 5595.

SEC. 175. Contents of the May budget. *The May budget prepared by the county board of education shall provide three separate school funds (a) a current expense fund, (b) a capital outlay fund, and (c) a debt service fund.*

(a) The current expense fund shall include: (1) expenses of general control—per diem of board of education, salaries of superintendent, attendance officer, and clerical assistants, travel and communication, office supplies and expense, and other necessary expenses of general control; (2) instructional service—salaries of teachers, principals, and supervisors, and any other necessary items of instruction; (3) operation of school plant—wages of janitors and other employees, fuel, water, light and power, janitors' supplies, expenses for care grounds, and other necessary expenses of operation (4) maintenance of plant—upkeep of grounds, repair of buildings, repair and replacement of heating, lighting and plumbing equipment, instructional apparatus,

furniture, and other equipment, and other necessary expenses of maintenance; (5) fixed charges—rent, insurance and other necessary fixed charges; (6) auxiliary agencies—replacement of and repair of library books, transportation of pupils, and other necessary auxiliary activities.

(b) *The capital outlay fund shall provide for the purchase of sites, the erection of school buildings, including dormitories and teachers' homes, improvement of new school grounds, alteration and addition to buildings, installation of heating, lighting and plumbing, purchase of furniture, including instructional apparatus of new buildings, office equipment, acquisition of trucks and other vehicles for the transportation of pupils and for the better operation and administration of schools, and other necessary capital outlay.*

(c) *The debt service fund shall provide for the payment of all loans due the State, the interest and principal on bonds, payments to the sinking fund, payment of district indebtedness for schools assumed by the county, apportionment to districts voting bonds or to districts borrowing from the county board of education and all other indebtedness which is payable during the fiscal year for which the budget is prepared.*

C. S. (III), 5596; 1927, c. —, s. 1.

SEC. 176. How to estimate the current expense fund. It shall be the duty of the county board of education, in estimating the amount of the *current expense fund* for the ensuing year in the May budget, to set forth on blanks supplied by the State Superintendent of Public Instruction, the actual salary paid each teacher in each district for the previous year, the proposed salaries for the ensuing year, and the number of additional teachers needed in each school. It shall also exhibit the grade of certificate held by each teacher, the average attendance of pupils in each district for the previous year, and such other information as the State Superintendent of Public Instruction may require. The number of teachers for the next ensuing year in each school shall be based on the average attendance of pupils for the previous year, as given below: *Provided*, that in the case of the enlargement or consolidation of a district, the superintendent shall add to the attendance of said district the number of children transferred who were attending school the previous year. In case of an extraordinary increase in population, the superintendent shall estimate said increase that may attend school for the year and allow the same in estimating the attendance for said school.

(a) *In each elementary school:* Not more than one teacher shall be allowed, except as follows: Wherever the average attendance for the previous year was at least thirty, two teachers may be allowed, but the commissioners may not be compelled to provide the funds for the second teacher, except when the average attendance for the previous year was at least forty. Wherever the average attendance for the previous year was sixty-five, three teachers shall be considered reasonable, and wherever the average attendance for the previous year was one hundred, four teachers shall be considered reasonable. And one additional teacher for every thirty-five additional pupils in average daily attendance for the previous year shall be considered reasonable.

(b) *In each high school:* One whole-time teacher for the high school grades may be allowed for the ensuing year wherever the number of pupils in attendance for the previous year was twenty; two teachers may be allowed wherever the average attendance was thirty; three teachers may be allowed wherever the average attendance was forty-five; four teachers may be allowed for seventy pupils in average daily attendance; and one additional

teacher may be allowed for every thirty additional pupils in average daily attendance.

(c) Wherever the total number of teachers and the total estimated *current expense fund* for the ensuing year are not greater than the total actual salaries paid or authorized by law for the previous year, the amount shall not be considered excessive. Wherever the average attendance for the previous year authorizes an increase in the number of teachers for the ensuing year, and the number provided in the budget is in accordance with the provisions of this section, the amount necessary to supply the needed extra teachers at the average monthly salary paid teachers the previous year shall be deemed reasonable and necessary: *Provided*, the term "legal salaries for the previous year" shall be construed to mean the salaries for the county six-months term in accordance with the adopted salary schedule.

(d) The per diem of the county board of education, the salary of the superintendent of public welfare, and other school officials authorized by law shall be legitimate items of expense in the budget.

The amount of the *current expense* fund for the county schools having been determined, and the amount of the *current expense* fund for special charter districts having been determined in accordance with the provisions of section 177 of this article, the total for the county and the special charter districts shall constitute the total amount of the *current expense* fund for the ensuing year, and if the amount is approved by the commissioners they shall levy a tax sufficient to produce the amount clear of all fees, commissions, rebates, losses and cost of collection.

C. S. (III), 5597; 1927, c. —, s. 2.

SEC. 177. How to estimate the salaries of teachers, principals, supervisors, and superintendents for the special charter or city schools. The salaries of teachers, principals, supervisors and superintendents for special charter districts shall be estimated as follows: The county board of education shall incorporate the budget of the special charter districts in the county budget and allow the actual salary for six months in accordance with the adopted salary schedule for each teacher permitted under section 176 of this article. In all counties where the schools of a special charter district are operated as a part of the county system, and are under the control of the county board of education, and pupils living outside the special charter district are permitted, as the county board of education may direct, to attend, free of all tuition charges, the amount of the salary budget of said special charter district shall be estimated in the same way as the budget for any other district school of the county is estimated.

The board of trustees of all special charter districts may petition the board of education to take over the management of the school or schools within the special charter district. When such a petition is presented, the county board of education shall grant the petition, and the school or schools within the district shall be governed as all other schools in local tax districts are governed: *Provided*, the county board of education shall not have the authority to change the method of electing the board of trustees unless the charter is surrendered and the title to the property is transferred to the county board of education.

C. S. (III), 5598; 1925, c. 138, s. 1; 1927, c. —, s. 3.

SEC. 178. How to determine the amount of the current expense fund, the capital outlay fund and the debt service fund. All poll taxes, fines, forfeitures,

penalties, and all public school revenues of the county not otherwise appropriated shall be placed to the credit of *the current expense fund* authorized in section 175, subsection (a) of this article, except as otherwise provided. *After the county board of education has determined in accordance with law the total current expense for county schools and the salaries for charter districts and, in addition, has determined the capital outlay and debt service needs for the county schools for the year, the basis of the amounts to be included in the May budget for the special charter districts in addition to salaries shall be arrived at in the following manner:*

(1) *From the total current expense fund shall be deducted (a) salaries of teachers, principals, supervisors and superintendents, and (b) all current expenses for general control. This balance shall be the remainder of the current expense fund for schools other than special charter districts. The county board of education shall allow for current expense, except as otherwise provided herein, the same per capita amount per pupil enrolled for the previous school year to the special charter districts that is allowed to all the other schools of the county.*

(2) *From the total capital outlay fund provided for county schools shall be deducted (a) all revenue for capital outlay for a specific district or districts and (b) items financed by long term loans or bonds and all other non-revenue receipts, including the proceeds from the sale of school property. On the basis of the balance thus determined, the county board of education shall allow for capital outlay the same per capita amount per pupil enrolled for the previous school year to the special charter districts that is allowed to all other schools.*

(3) *When the county board of education shall have determined the necessary amount to be raised from county funds for debt service for all schools other than special charter districts and local tax districts voting bonds or borrowing from the county board of education in whole or in part for providing suitable building or buildings for said district for the six months school term, said board shall allow for the debt service fund the same per capita amount per pupil enrolled for the previous school year to the special charter districts and to districts voting bonds or borrowing from the county board of education for said building purposes that is allowed to all the other schools of the county: Provided, the amount allowed for any year shall not exceed the actual debt service need of said school districts in any year. If the amount derived or to be derived from the sources mentioned above in this section is insufficient for these funds the commissioners are authorized to levy an additional tax to meet the actual needs of each fund.*

C. S. (III), 5599; 1927, c. —, s. 4.

SEC. 179. The debt service fund. The county board of education shall set forth in the budget the amounts of the interest and installments on all loans due the State, and of all interest and installments on bonds and other evidences of indebtedness that may fall due. This shall be a separate item in the budget, and the commissioners shall levy annually a tax sufficiently clear of all fees, commissions, rebates, delinquents and the cost of collection to repay the same, and if the taxes are not collected when the repayments fall due the commissioners shall borrow the money and place the amount to the credit of the county board of education.

The county board of education, with the approval of the board of commissioners, may include in the *debt service fund* in the budget, the indebtedness of all districts, including special charter districts, lawfully incurred in erecting and equipping school buildings necessary for the six months school term; and when such indebtedness is taken over for payment by the county as a whole and the local districts are relieved of their annual payments, then the county funds provided for such purposes shall be deducted from the *debt service fund* prior to the division of this fund among the schools of the county as provided in this section.

C. S. (III), 5600; 1925, c. 180, s. 6; 1927, c. —, s. 5.

SEC. 180. The May budget completed. The completed May budget shall be sworn to and subscribed by the chairman of the county board of education and the county superintendent of schools and a copy shall be filed in the office of the State Superintendent of Public Instruction.

The county board of education shall present a copy to the board of county commissioners on or before *the first Monday of June* of each year. If the board of county commissioners shall approve the total amount of the budget, it shall levy sufficient rates, after deducting the amount to be received from the State, to produce the amount asked for in the budget, and if the tax rate levied fails to produce, clear of all commissions, fees and costs of collections, the amount approved in the budget, it shall be the duty of the county commissioners to supply the deficit either out of the general county fund or by borrowing in accordance with law.

C. S. (III), 5601; 1927, c. —, s. 7.

SEC. 181. The November budget. On or before the fifteenth day of November of each year the county board of education and the board of trustees of all special charter school districts shall prepare a budget, on blanks furnished by the State Superintendent of Public Instruction, setting forth the names and numbers of teachers actually employed in each district in the county, the grade of certificate held, the salary paid, and all other information asked for by the State Superintendent of Public Instruction. The November budget shall be checked by the State Superintendent to ascertain whether the teachers are properly certificated, whether the number of teachers is excessive, and whether the authorized salary schedule is observed. The county shall settle with the special charter districts for teachers' salaries in accordance with the corrected budgets and the State equalizing fund shall be finally apportioned in accordance with such corrected budgets.

The checked and approved November budget shall exhibit the legal salary due to each teacher according to the State salary schedule and the number of teachers to which each district is entitled. A copy shall be returned to the county board of education or board of trustees as the case may be to be filed in the office of the superintendent. And not more than three-fourths of the estimated maximum amount of the equalizing fund shall be paid to a county until the November budget is approved, and if it shall appear at any time that the superintendent refuses to observe the law providing a uniform salary schedule, the State Superintendent of Public Instruction shall notify the chairman of said board which board is hereby authorized to remove said superintendent from office.

After the November budget is checked if it shall appear that the county has provided for its part of the *budget*, and the amount of the equalizing

fund submitted to the county is needed to meet the demands of the *budget*, then the State Board of Education shall pay in full the amount it specified in such a way as to be of the greatest aid to the counties before the taxes for the year have been collected.

C. S. (III), 5602; 1927, c. —, s. 8.

ART. 14. POWERS, DUTIES, AND RESPONSIBILITIES OF THE BOARD
OF COUNTY COMMISSIONERS IN PROVIDING FUNDS FOR
SIX MONTHS TERM.

SEC. 182. **Duty to provide funds for six months term.** The board of county commissioners shall provide the funds necessary to maintain the schools for six months, and the May budget submitted to the commissioners shall be presumed to be correct unless it is formally rejected by the commissioners within thirty days after presentation, and an entry is recorded in the minutes of the board stating the time when it was rejected and the reason for rejecting it, and a copy of the entry on the minutes of the board of county commissioners shall be sent to the superintendent or the chairman of the county board of education.

C. S. (III), 5603.

SEC. 183. **Commissioners required to raise full amount.** When the budget is accepted by the commissioners, or by the order of the court, the commissioners are hereby directed and required to levy a tax sufficient to raise the amount necessary to maintain the schools for six months according to the provisions of the budget or the order of the court. At the close of the school year if it shall appear *according to the audit required by law* that the amount of money actually received by the treasurer, clear of all fees, commissions, rebates, etc., is insufficient to meet all the necessary expenses of the schools for the year the county commissioners shall provide the necessary amount and place the same to the credit of the county board of education.

C. S. (III), 5604; 1927, c. —, s. 9.

SEC. 184. **What the commissioners may require of county board of education.** The commissioners or a representative selected by them shall sit with the county board of education when the May budget is being prepared, and whenever the commissioners or their representative are in doubt as to the reasonableness of the budget, or any item in the same, it may require the county board of education to compare the salaries of teachers as estimated in the May budget for the ensuing year with the actual salaries authorized by law in the approved November budget for the current school year, and to give the cause of the increase, district by district, and the difference between the total salaries of the current school year as authorized by law for the six months school term and the proposed salaries for the ensuing school year.

It may require in similar detail a statement of the differences in the amount of the *remainder of the current expense fund and the capital outlay fund* for the two years. It may require the county board of education to show that existing debts were incurred in strict accordance with the law, and the county commissioners hereafter shall not be liable for any debt, other than loans from the State, incurred by the county board of education in excess of the amount set forth in the May budget, unless the making of the

debt was approved by the county commissioners. The county board of education shall file with the clerk of the board of commissioners a list of the bonded indebtedness for schools of the county and of local tax districts, and a certified statement of all loans derived from the State together with the amount of the annual payments.

C. S. (III), 5605; 1927, c. —, s. 10.

SEC. 185. Where commissioners have no discretion. The commissioners are hereby required to levy annually a tax sufficient to repay interest and installment on all loans from the State, and interest and installments on bonds and notes falling due *according to the debt service fund as set forth in the approved May budget*. And this shall be a separate tax, and if, after all interest and installments are paid each year, any balance that may remain shall be accounted for by the treasurer, and it shall be applied the following year to the repayment of interest and installment on loans. But if the amount secured from this tax is not sufficient for these needs it shall be the duty of the commissioners to borrow any amount needed to meet these payments.

C. S. (III), 5606; 1927, c. —, s. 11.

SEC. 186. Require county board to publish May budget. The commissioners before approving the May budget may require the county board of education to publish the same in some leading newspaper published or circulating in the county, and when so published it shall set forth the cost, district by district, and the amount of the increase for each district over the previous year, and the total amount of the increase, and the cost of publishing the May budget shall be paid by the commissioners out of the general county fund.

C. S. (III), 5607.

SEC. 187. Procedure in cases of disagreement or refusal of county commissioners to levy school taxes. In the event of a disagreement between the county board of education and the board of county commissioners as to the amount of *the current expense fund, the capital outlay fund, and the debt service fund*, the county board of education and the board of county commissioners shall sit in joint session and each board shall have one vote on the question of the adoption of these amounts in the budget. A majority of the members of each board shall cast the vote for each board. In the event of a tie, the Clerk of the Superior Court shall act as arbitrator upon the issues arising between said two boards, and shall render his decision thereon within ten days. But either the county board of education or the board of county commissioners shall have the right to appeal to the Superior Court within thirty days from the date of the decision of the Clerk of the Superior Court, and it shall be the duty of the judge hearing the case on appeal to find the facts as to the amount of *the current expense fund, the capital outlay fund, and the debt service fund*, which findings shall be conclusive; and he shall give judgment requiring the county commissioners to levy the tax which will provide the amount of *the current expense fund, the capital outlay fund, and the debt service fund* which he finds necessary to maintain the schools for six months in every school district in the county. Any board of county commissioners failing to obey such order and to levy the tax ordered by the court shall be guilty of a misdemeanor and shall be fined or imprisoned in the discretion of the court.

In case of an appeal to the Superior Court, all papers and records relating to the case shall be considered a part of the record for consideration by the court.

C. S. (III), 5608; 1927, c. —, s. 12.

SEC. 188. Commissioners may demand a jury trial. The county commissioners shall have the right to have the issues tried by a jury, as to the amount of the *current expense fund*, and the *capital outlay fund*, which jury trial shall be set at the first succeeding term of the Superior Court, and shall have precedence over all other business of the court: *Provided*, that if the judge holding the court shall certify to the Governor, either before or during such term, that on account of the accumulation of other business, the public interests will be best served by not trying such action at said term, the Governor shall immediately call a special term of the Superior Court for said county to convene as early as possible and assign a judge of the Superior Court or an emergency judge to hold the same, and the said action shall be tried at such term. There shall be submitted to the jury for its determination the issue as to what amount is needed to maintain the schools for six months, and they shall take into consideration the amount needed and the amount available from all sources as provided by law. The final judgment rendered in such action shall be conclusive and the county commissioners shall forthwith levy taxes in accordance with such judgment, otherwise those who refuse so to do shall be in contempt and may be punishable accordingly: *Provided*, that in case of a mistrial or an appeal to the Supreme Court which would result in a delay beyond a reasonable limit for levying the taxes for the year, the judge shall order the commissioners to levy for the ensuing year a rate sufficient to pay the *debt service fund*, and to produce, together with what may be received from the State Public School Fund and from other sources, an amount for the *current expense fund* equal to the amount of this fund for the previous year.

C. S. (III), 5609; 1927, c. —, s. 14.

SEC. 189. Commissioners authorized to borrow money. The commissioners are hereby authorized to borrow money for the schools of the county and place the same to the credit of the county board of education, as follows: Whenever the amount provided in the budget shall be insufficient to meet the absolute needs of running a six months school term and providing equipment for same, or paying existing indebtedness for said purpose and the county commissioners, after investigating, shall find as a fact that additional funds are necessary, they are hereby authorized to borrow the necessary amount and place the same to the credit of the county board of education, and it shall be the duty of the county commissioners to levy sufficient taxes for the next ensuing year to repay money so borrowed in addition to providing for the maintenance of the six months school term and the county commissioners may issue notes of the county for money so borrowed.

C. S. (III), 5610.

SEC. 190. Commissioners to require fines, forfeitures and penalties paid to treasurer. The board of county commissioners shall require all clerks of all State and municipal courts, justices of the peace and all other clerks or officials having in custody the records of any city or town in the State, to furnish the county board of education and the county commissioners a detailed statement of all fines, forfeitures and penalties that have come into

their hands or that have been recorded or should have been recorded in the books kept by them. And it shall be the duty of the county commissioners to require all officials collecting fines, forfeitures and penalties to pay over the same to the treasurer of the county school fund monthly and a failure on the part of said officials to comply with the provisions of this section shall be considered a misdemeanor, and upon conviction they may be removed from office by the court and shall be fined or imprisoned in the discretion of the court.

C. S. (III), 5611.

SEC. 191. Commissioners to estimate what per cent the school fund is of the total county fund. It is the duty of the county commissioners to furnish the county board of education, as soon as the tax books for the year are complete, a statement showing what per cent the school fund is of the total county fund and at least this same per cent of the amount of taxes as they are collected and deposited in the treasury shall be placed to the credit of the county board of education.

C. S. (III), 5612.

SEC. 192. Commissioners require sheriff to settle. Every sheriff or tax collector shall deposit the county and other local taxes collected by him with the county treasurer as often as he shall collect or have in his possession at any one time a sum equal to five hundred dollars (\$500).

On or before the close of the fiscal year the sheriff in settling with the board of county commissioners shall exhibit the total amount of the school fund from all sources received, the net amount paid over to the county treasurer, and the net amount due each of the following funds: (1) *The current expense fund*, (2) *the capital outlay fund*, and (3) *the debt service fund*. The sheriff shall also exhibit the amount of uncollected taxes due because of insolvent polls, releases, errors, and rebates allowed by the board of county commissioners, and other causes for failure to collect the entire amount of the taxes due, and the sheriff shall furnish to the county board of education at the time of his settlement with the county commissioners, as provided in this section, a complete itemized copy of his statement; and the State Auditor shall prepare and furnish free of cost to the sheriff or the county commissioners, blanks on which the sheriff shall make his final report to the county commissioners. Said blanks shall set forth the items specified above in such a way as to make the settlement clear and intelligible.

C. S. (III), 5613; 1927, c. —, s. 15.

ART. 15. THE TREASURER: HIS POWERS, DUTIES AND RESPONSIBILITIES IN DISBURSING SCHOOL FUNDS

SEC. 193. Treasurer shall disburse funds. The county treasurer of each county shall be the treasurer of the school funds in his county. He shall receive and disburse all public school funds and shall keep the same separate and distinct from all other funds. In all counties in which the office of county treasurer has been abolished all banks or other corporations handling public school funds shall be required to keep the same accounts, perform the same duties as required of the county treasurer, and to give the same

bond and make the same reports as are required of the treasurer of the county board of education.

C. S. (III), 5614.

SEC. 194. Operation of county school budget. *(a) Duty of county board of education. On or before the first Monday in each month the county board of education shall file with the county board of commissioners a written statement showing the condition of the annual six months school budget at the close of the preceding month. This statement shall also include a careful estimate of the necessary expenditures which will be made during the current month from the six months' school budget. In like manner each special charter district shall prepare and file with the county board of education a similar statement, which shall be the guide in determining for the special charter district the amount which shall be included in the monthly statement of cash needs: Provided, that if the county board of education shall deem to be unreasonable the amount estimated as the cash needs of said district for a current month, the county commissioners may not be required to provide more than one-sixth of the total approved budget for such district prior to the beginning of the first month of the constitutional school term: Provided, further, that no payment to special charter district shall be made until a copy of the audit for the previous year for the special charter district has been filed as provided by law.*

(b) Duty of county board of commissioners. It shall be the duty of the board of county commissioners to provide when and as needed the funds necessary to meet the monthly expenditures as set forth in the statement prepared by the county board of education in accordance with the budget.

C. S. (III), 5615; 1925, c. 138, s. 2; 1927, c. —, s. 16.

SEC. 195. Action against the treasurer to recover funds. *After final settlement with the sheriff, if it shall appear that any part of the public school fund received by the county treasurer has not been properly placed to the credit of the respective board of education, either the county board of education or the special charter district board of trustees, as the case may be, shall bring action on the treasurer's bond to recover any part of the fund still belonging to the respective board. If the county treasurer fails to perform his duties as herein and above prescribed, he shall be guilty of a misdemeanor and be fined or imprisoned in the discretion of the court.*

C. S. (III), 5616.

SEC. 196. Treasurer to keep separate record of local taxes received. *(See Section 147.)*

SEC. 197. How School funds shall be disbursed. *The county board of education shall divide the funds belonging to the county into two classes: (1) those apportioned to districts for salaries for instructional service and other regular employees and (2) those reserved to the county board of education for all other necessary expenses included in the budget under current expense fund, capital outlay fund, and debt service fund.*

The treasurer shall pay out funds reserved to the county board of education only on warrants signed by the chairman and secretary of said board. The treasurer shall pay out county funds apportioned to the district for the six months term, special tax funds, and supplemental funds from other sources only on a properly executed order signed by a majority of the

district committee, one of whom shall be the secretary, and countersigned by the county superintendent: Provided, however, all supplements on salaries payable during the six months term from local taxes shall be drawn on separate vouchers: Provided, further, that the county board of education may at any time prohibit the district committee from spending illegally the district funds including the special local-tax funds.

C. S. (III), 5617; 1927, c. —, s. 17.

SEC. 198. County board of education to have accounts of the board of education and the county treasurer of the public school fund audited. *On or before the first day of August of each year the county board of education shall cause to be audited the books of the treasurer of the county school fund and the accounts of the county board of education, and shall provide for the cost of the same, where a county auditor is not provided by special statute, out of the current expense fund. The auditor's report shall show:*

(a) For six months school term: (1) Sources of revenues and purposes for which expenditures were made; (2) comparison of approved May budget with the actual transactions; (3) statement of salary paid each teacher, principal, supervisor, or superintendent, and all other employees employed in the county system, showing what part was paid out of the State and county six months school fund, and what part was paid out of the local tax funds; (4) the auditor shall compare the expenditures with the budget approved by the State Superintendent of Public Instruction, and report whether all salaries and other expenses have been paid in accordance with law; (5) the auditor shall check the average daily attendance by districts as shown in the budget against the monthly reports from the district listing the high school and elementary school average daily attendance separately, and including a statement covering the average daily attendance maintained during the scholastic year which the financial transactions cover and also the average daily attendance maintained during the year next preceding the year covered by the financial transactions contained in the audit; (6) statement of outstanding indebtedness, including county school bonds, amounts due the State Board of Education, and all unpaid accounts; (7) appraisal of all school property; and (8) and all other items which will aid in making a complete audit.

(b) For local tax districts: In similar details, the audit of the county board of education shall include accounts of local tax districts and special county taxes.

(c) For special charter districts. In like manner and in similar details, unless otherwise provided in special act, the board of trustees of each special charter district shall cause to be audited the accounts of the treasurer and board of trustees of the special charter districts.

At least a consolidated statement of the report of the auditor shall be published in some newspaper circulating in the county, or in bulletin form, and one copy of the complete report shall be sent to the State Superintendent of Public Instruction, and one copy shall be given to the chairman of the board of county commissioners, and one copy to the chairman of the county board of education.

If the county board of education or special charter district board of trustees shall fail to have all accounts audited as provided herein, the

State Superintendent shall notify the State Auditor, and said State Auditor shall send an auditor to said county and have the accounts audited in accordance with the provisions of this section, and all expenses for the same shall be paid by the county board of education or the board of trustees, as the case may be.

C. S. (III), 5618; 1927, c. —, s. 19.

SEC. 199. Treasurer to give bond. Before entering upon the duties of his office, the treasurer shall execute a justified bond, with security, in an amount to be fixed by the board of county commissioners, not less than one-half of the total amount of the moneys received by him or his predecessor during the previous year, conditioned for the faithful performance of his duties as treasurer of the county school fund, and for the payment to his successor in office of any balance of school moneys that may be in his hands unexpended. This bond shall be a separate bond, not including liabilities for other funds, and shall be approved by the board of county commissioners, and that board may from time to time, if necessary, require him to strengthen his bond.

C. S. (III), 5619.

SEC. 200. Action on the treasurer's bond. The board of county commissioners shall bring action in the name of the State for any breach of the bond of the treasurer or for any failure to account properly for the funds received by him, except in cases where action is otherwise provided for. If the commissioners shall fail to bring such action, it may be brought in the name of the State upon the relation of any taxpayer.

C. S. (III), 5620.

SEC. 201. Annual report to State Superintendent. The treasurer of any county, town, or special charter district school fund shall report to the State Superintendent of Public Instruction, on the first Monday of August of each year, the entire amount of money received and disbursed by him during the preceding school year, designating by items the amount received, respectively, from property tax, poll tax, fines, forfeitures and penalties, auctioneers, estrays, from the State Treasurer and from other sources. He shall also designate by item the sum paid to teachers of each race respectively, the sums paid for schoolhouses, school sites in the several districts, and for all other purposes, specifically and in detail, by item.

C. S. (III), 5621.

SEC. 202. Report to county board. On the same date that he reports to the State Superintendent he shall file a duplicate of such report in the office of the county board of education. He shall make such other reports as the county board of education may require from time to time.

C. S. (III), 5622.

SEC. 203. Exhibit books, vouchers, and money to county board. The treasurer of the county school fund shall, when required by the county board of education, produce his books and vouchers for examination, and shall also exhibit all moneys due the public school fund of the county at such settlement required by this article.

C. S. (III), 5623.

SEC. 204. Duties on expiration of term. Each treasurer of the county school fund, in going out of office, shall deposit in the office of the board of education of his county his books in which are kept his school accounts, and all records and blanks pertaining to his office. If his term expires on the thirtieth day of November during any fiscal school year, or if for any reason he shall hold office beyond the thirtieth day of November and not for the whole of the current fiscal school year, he shall at the time he goes out of office file with the county board of education and with his successor a report, itemized as required by law, covering the receipts and disbursements for that part of the fiscal school year, from the thirtieth of June preceding to the time at which he turns over his office to his successor, and his successor shall include in his report to the State Superintendent of Public Instruction the receipts and disbursements for the current fiscal year.

C. S. (III), 5624.

SEC. 205. Treasurer of school fund failing to report a misdemeanor. If any treasurer of the county, or special charter district school fund shall fail to make reports required of him at the time and in the manner prescribed, or to perform any other duties required of him by law, he shall be guilty of a misdemeanor and be fined not less than fifty dollars and not more than two hundred dollars or imprisoned not less than thirty days nor more than six months in the discretion of the court.

C. S. (III), 5625.

SEC. 206. Treasurer of special charter districts bonded. The treasurer of every special charter district shall be required by the board of trustees of said school district to execute a justified bond, with security, in an amount to be fixed by the board of trustees, not less than one-half of the total amount of money received by him or his predecessor during the previous year, conditioned for the faithful performance of his duties as treasurer of the funds of the special charter district, and for the payment over to his successor in office of any balance of school moneys that may be in his hands unexpended. This bond shall be a separate bond, not including liabilities for other funds, and shall be approved by the board of trustees of said special charter district; and that board may from time to time, if necessary, require him to strengthen his bond.

C. S. (III), 5626.

SEC. 207. Obsolete.

SEC. 208. Speculating in claims against towns, cities and the State. If any clerk, sheriff, register of deeds, county treasurer or other county, city, town or State officer shall engage in the purchasing of any county, city, town or State claim, including teacher's salary voucher, at a less price than its full and true value or at any rate of discount thereon, or be interested in any speculation on any such claim, he shall be guilty of a misdemeanor and shall be fined or imprisoned, and shall be liable to removal from office at the discretion of the court.

C. S. (III), 5627.

ART. 16. FINES, FORFEITURES AND PENALTIES

SEC. 209. Constitutional provisions All moneys, stocks, bonds and other property belonging to a county school fund, also the net proceeds from the sale of estrays, also the clear proceeds of all penalties and forfeitures and of all fines collected in the several counties for any breach of the penal or military laws of the State, and all moneys which shall be paid by persons as an equivalent for exemption from military duty shall belong to and remain in the several counties and shall be faithfully appropriated for establishing and maintaining free public schools in the several counties in this State: *Provided*, that the amount collected in each county shall be annually reported to the Superintendent of Public Instruction.

C. S. (III), 5628; s. 5, Art. IX, Const.

SEC. 210. Statement of fines kept by clerk. It is the duty of the clerks of the several courts and of the several justices of the peace to enter in a book, to be supplied by the county, an itemized and detailed statement of the respective amounts received by them in the way of fines, penalties, amercements and forfeitures, and said books shall at all times be open to the inspection of the public.

C. S. (III), 5629.

SEC. 211. Fines paid to treasurer for schools; annual report. All fines forfeitures, penalties and amercements collected in the several counties by any court or otherwise shall be accounted for and paid to the county treasurer by the officials receiving them within sixty days after receipt thereof, and shall be faithfully appropriated by the county board of education for the establishment and maintenance of free public schools; and the amounts collected in each county shall be annually reported to the Superintendent of Public Instruction on or before the first Monday in January by the board of Commissioners.

C. S. (III), 5630.

SEC. 212. Failure to file report of fines. If any officer who is by law required to file any report or statement of fines or penalties with the county board of education shall fail so to do at or before the time fixed by law for the filing of such report, he shall be guilty of a misdemeanor.

C. S. (III), 5631.

SEC. 213. Fines and penalties to be paid to school fund. Whenever any officer, including justices of the peace, receives or collects a fine, penalty, or forfeiture in behalf of the State he shall, within thirty days after such reception or collection pay over and account for the same to the treasurer of the county board of education for the benefit of the fund for maintaining the free public schools in such county. Whenever any fine or penalty is imposed by any officer the said fine or penalty shall be at once docketed, and shall not be remitted except for good and sufficient reasons which shall be stated on the docket.

C. S. (III), 5632.

SEC. 214. Misappropriation of taxes a misdemeanor. Any officer, including justices of the peace, violating the preceding section, shall be guilty of a misdemeanor, and upon conviction shall be punished by fine or imprisonment, at the discretion of the court.

C. S. (III), 5633.

SEC. 215. Unclaimed fees of jurors and witnesses paid to school fund. All moneys due jurors and witnesses which remain in the hands of any Clerk of the Superior Court on the first day of January after the publication of a third annual report of the said clerk showing the same shall be turned over to the county treasurer for the use of the school fund of the county, and it is the duty of said clerk to indicate in his report any moneys so held by him for a period embracing the two annual reports.

C. S. (III), 5634.

SEC. 216. Use by public until claimed. The money aforesaid, while held by the clerks, shall be paid, on application, to the person entitled thereto; and after it ceases to be held, it may be used as other revenue, subject, however to the claim of the rightful owner.

C. S. (III), 5635.

SEC. 217. Sheriffs' liability civil and criminal for failure to settle school tax. (See Section 192.)

C. S., 5500.

SEC. 218. Authority to use fines, forfeitures, penalties and dog tax to increase school term. The county board of education with the approval of the county commissioners may set aside all or a part of the amount derived from fines, forfeitures, penalties, dog tax and amercements which accrue to the school fund and use said amount for the purpose of aiding the weaker union school districts of the county which, after having levied a special tax of not less than thirty cents on the one hundred dollars valuation of property or its equivalent, are still unable to provide a minimum school term of eight months.

C. S. (III), 5636.

PETITIONS FOR LOCAL TAX ELECTIONS

SEC. 220. The board to consider petition. The county board of education, or the board of trustees, as the case may be, shall receive the petition and give it due consideration. If the board shall approve the petition for an election, it shall be endorsed by the chairman and secretary of the board and a record of the endorsement shall be made in the minutes of the board of education. The petition shall then be presented to the board of county commissioners or the governing body authorized to order the election and it shall be the duty of the board of county commissioners or said governing body to call an election and fix the date for the same: *Provided*, the county board of education, or board of trustees, as the case may be, may, for any good and sufficient reason, withdraw the petition before the close of the registration books, and if the petition be so withdrawn, the election shall not be held. *In the case of a special charter district coterminous with or situated entirely within an incorporated city or town, said petition shall be presented to the governing body of said city or town, and the election shall be ordered by said governing body.*

C. S. (III), 5640; 1925, c. 143, s. 1.

INCREASING LOCAL TAX RATES IN CHARTER AND LOCAL SCHOOL DISTRICTS

SEC. 223. Increasing levy in districts having less than fifty-cent rate. Authority is hereby given any local tax district or *special charter district* having voted a maximum rate less than fifty cents to increase the levy to a maximum of fifty cents on the one hundred dollars valuation of property, real and personal. Such increase shall be made after an election has been held as provided for in this article.

C. S. (III), 5643; 1925, c. 143, s. 2.

ENLARGEMENT OF DISTRICTS

(Section as Rewritten; Amendment of 1925, c. 151, Repealed)

SEC. 226. Enlargement of local tax or special charter districts. Upon a written petition of a majority of the governing board of any district, the county board of education, after approving the petition, shall present the same to the board of county commissioners and ask for an election on the question of the enlargement of the boundary lines of any such district so as to include any contiguous territory, and an election in such new territory may be ordered and held under rules governing elections for local taxes as provided in this article: *Provided*, the local tax rate specified in the petition and submitted to the qualified voters shall be a local tax of the same rate as that voted in the said district to which the territory is to be added. If a majority of the qualified voters in such new territory shall vote in favor of such tax, the new territory shall be and become a part of said district, and the term "local tax of the same rate" herein used shall include, in addition to the usual local tax, any tax levied to meet the interest and sinking fund of any bonds heretofore issued by the district proposed to be enlarged. In case a majority of the qualified voters at the election shall vote in favor of the tax, the district shall be deemed enlarged as so proposed.

C. S. (III), 5646; 1927, c. —, s. 1, 2.

ENLARGING BOUNDARIES OF DISTRICT WITHIN AN INCORPORATED CITY OR TOWN

(Section as Rewritten)

SEC. 230. Enlarging boundaries of district within incorporated city or town. *The boundaries of a district situated entirely within the corporate limits of a city or town, but not coterminous with such city or town, may be enlarged so as to make the district coterminous with such city or town either in the manner prescribed by this section or in the manner prescribed by section 226 of this act: Provided, however, that no district shall be enlarged under this section if the new territory necessary to be added to such district in order to make it coterminous with such city or town has any bonded debt incurred for school purposes, other than debt payable by taxation of all taxable property in such district and such new territory. In cases where the*

local annual tax voted to supplement the funds for the six months public school term is of the same rate in such district and in the new territory necessary to be added to such district in order to make the district coterminous with such city or town, the county board of education shall have power to enlarge the boundaries of the district as aforesaid. In cases where such tax rates are not the same, the boundaries of the district shall become so enlarged upon the adoption of a proposition for such enlargement by a majority of the qualified voters of such new territory. The governing body of such city or town may at any time, upon petition of the board of education or other governing body of such district, or upon its own initiative if the governing body of the city or town is also the governing body of the district, submit the question of enlarging the district as aforesaid to the qualified voters of such new territory proposed to be added to such district at any general or municipal election or at a special election called for said purpose. Such an election may be ordered and held and a new registration for said election provided under the rules governing elections for local taxes as provided under this article, except that the election and registration shall be ordered by and held under the supervision of and the result of the election determined by the governing body of such city or town. The ballots to be used in said election shall have printed or written thereon the words "For the enlargement of.....School District, pursuant to section 230 of chapter 136 of the Public Laws of 1923, as amended," and "Against the enlargement of School District, pursuant to section 230 of chapter 136 of the Public Laws of 1923, as amended." If a majority of the qualified voters of such new territory proposed to be added to such district shall vote in favor of such enlargement, said district shall thereupon become coterminous with said city or town, and there shall be levied annually in such new territory all taxes perviously voted in said district for the purpose of supplementing the funds for the six months public school terms for said district and for the purpose of paying the principal or interest of any bonds or other indebtedness previously issued or incurred by said district; and a vote in favor of such enlargement shall be deemed and held to be a vote in favor of the levying of such taxes. The validity of the said election and of the registration for said election and of the correctness of the determination of the result of said election shall not be open to question except in an action or proceeding commenced within thirty days after the determination of the result of said election. At the same time that said election is held it shall be lawful to hold an election in the entire territory of said city or town on the question of issuing bonds of said city or town or of said school district as so enlarged, for school purposes, and levying a sufficient tax for the payment of said bonds, or on the question of levying a local annual tax on all taxable property in said city or town or in said school district as so enlarged to supplement the funds for the six months public school term for said district, in addition to taxes for the payment of bonds, in the same manner that would be lawful if said district had been so enlarged prior to the submission of said questions. One registration may be provided for all of said simultaneous election.

C. S. (III), 5650; 1925, c. 143, s. 3.

JOINT DISTRICTS

(Section as Rewritten)

SEC. 232. Local tax districts from portions of contiguous counties.

a. Local tax districts may be formed as provided in this section out of contiguous portions of two or more counties.

The petition for such a district must be initiated as petitions for local tax elections are initiated under the provisions of this article, must be endorsed by the county boards of education of such contiguous counties, and each county board of education shall certify to the board of county commissioners of its county that the metes and bounds of the proposed joint local tax district are in accordance with and are an integral part of the lawfully adopted county-wide plan of organization in so far as they pertain to said county.

The board of commissioners of each county, in compliance with the provisions of this article relating to the conduct of local tax elections, shall then call and hold an election in that portion of the proposed district lying in its county. Election returns shall be made from each portion of the proposed district to the board of commissioners ordering the election in that portion, and the returns canvassed and recorded as required in this article for local tax districts.

b. In case the election carries in each portion of the proposed district, the several county boards of education concerned shall each pass a formal order consolidating the territory into one joint local tax district, which shall be and become a body corporate by the name and style of "..... Joint Local Tax School District of Counties." The county board of education having the largest school census and the largest area in the part of the joint local tax district lying in its county shall determine the location of the schoolhouse; but if the largest census and area do not both lie in the same county, then the county boards shall jointly select the site for the building, and in case of a disagreement they shall submit the question to the board of arbitration consisting of three members, one member to be named by each board of education if three counties are concerned, or if there are but two counties, then each board shall choose one member and the two so named shall select a third member. The decision of the board of arbitration shall be binding upon all county boards of education concerned.

c. The school committee shall consist of five members, three of whom shall be appointed by the board of education of the county in which the building is to be situated and two to be appointed by the other county or counties, but the terms of office shall be so arranged that not more than two members will retire in any one year. The committee shall officially exercise such corporate powers as conferred in this section. This said committee shall have all the powers and duties of committees of local tax districts and in addition thereto it shall adopt a corporate seal and have the power to sue and be sued. The committee shall have the power to determine the rate of local taxes to be levied in said joint district not exceeding the rate authorized by the voters of the district, and when the committee shall have so determined the rate of local taxes to be levied in said joint district, and shall have certified same to the boards of commissioners of the several counties from which said joint district is created, the said boards of county commissioners, and each of them, shall levy said rate of local taxes within

the portion of said joint district lying within their respective counties; and the taxes so levied shall be collected in the several counties as other taxes are collected therein, and shall be paid over by the officers collecting the same to the treasurer or other fiscal agent of the county in which the school-house is located or is to be located, to be by him placed to the credit of the joint district.

d. The committee shall have as full authority to call and hold elections for the voting of bonds of the district as is conferred upon boards of education and boards of commissioners in article twenty-two of this chapter. In calling the election for a bond issue no petition of the county board of education shall be necessary; but the election shall be called and held by the school committee of the incorporated local tax school district under as ample authority as is conferred upon both county boards of education and boards of commissioners under article twenty-two of this chapter. When bonds of the district have been voted under authority of this section, they shall be issued subject to the limitations of article twenty-two of this chapter in the corporate name of the district, signed by the chairman and secretary of the school committee, sold by the school committee, and the proceeds thereof deposited with the treasurer of the county board of education of the county in which the school building is or is to be located, to be placed to the credit of the joint district, and the taxes for interest and principal shall be levied and collected as provided in subsection c above for the levy and collection of local taxes.

e. The committee shall have the same power to call and hold elections to ascertain the will of the voters of the district upon the question of increasing the local tax levy up to a maximum rate of fifty cents on the one hundred dollars valuation of taxable property as it has in the case of bond elections. But local tax elections called and held in such joint districts shall be held under the general provisions of this article governing local tax elections except that the district committee is hereby granted the powers of county boards of education and boards of commissioners as to local tax elections.

f. The building of all schoolhouses in such joint local tax districts shall be effected by the county board of education of the county in which the building is to be located under authority of law governing the erection of school buildings by county boards of education. It shall be lawful for the boards of education in the other county or counties to contribute to the cost of the building in proportion to the number of children shown by the official census to be resident within that part of the joint district lying within each county respectively. If the building is to be erected from moneys borrowed from the State building funds or from county taxation, then each county board of education shall contribute to its construction in the proportion set out above and pay over its contribution to the treasurer of the county board having control of the erection of the building: Provided, it shall be lawful for the county board that controls the erection of the building to borrow from the State and lend to the district the full amount of the cost of the building in cases where the entire amount is to be repaid by the district from district funds.

g. All district funds of a joint local tax district shall be kept distinct from all other funds, placed to the credit of the district, and expended as other local tax or district bond funds are lawfully disbursed.

h. The county board of education and county superintendent of public instruction of the county in which the schoolhouse is located shall have as full and ample control over the joint school and the district as it has in the case of other local tax districts, subject only to the limitations of this section.

i. It shall be the duty of the committee of the joint school district to prepare a budget in accordance with the law requiring budgets of special charter districts. The said budget, which shall show the proportionate part of the cost of maintenance for six months to be contributed by each county, the several parts to be ascertained on the basis of the proportions of the total district school census living in each respective county, shall be filed by the committee with the county board of education of each county, and it shall be the duty of each board if it approves the district budget to incorporate it in the county budget to be submitted to the commissioners in May of each year. Each of the several county boards of education is hereby directed to pay over its proportionate part of the district budget when and as collected, to the treasurer of the board of education of the county in which the school plant is located for the purposes for which it has been levied and collected.

j. All districts formed before the ratification of this amendment under the provisions of section two hundred and thirty-two, chapter one hundred and thirty-six, Public Laws of one thousand nine hundred and twenty-three, and all districts incorporated before the ratification of this amendment, under the provisions of section two hundred and thirty-three of said chapter, are hereby authorized and empowered to exercise all the powers and privileges conferred by this section as amended.

C. S. (III), 5651; Ex. Sess. 1924, c. 32, s. 1.

PETITION FOR ELECTION IN SPECIAL SCHOOL TAXING DISTRICTS

SEC. 236. *Petition for an election. The petition for an election in a special school taxing district shall be made as follows: The governing school boards of at least a majority of the school districts within the special school taxing district shall endorse the petition and it shall be approved by the county board of education. Said petition shall state the maximum rate of tax to be voted on which rate shall not exceed 50 cents on the one hundred dollars valuation of all property, real and personal: Provided, however, that when a special school taxing district created in accordance with the provision of this article includes or embraces two or more school districts having indebtedness incurred for the erection of school buildings, the maximum rate of fifty cents (50c) specified in this section may be exceeded by an additional rate necessary to take care of the combined aforesaid indebtedness of the several districts incurred for the erection of such school buildings.*

C. S. (III), 5657; 1927, c. —, s. 1.

LOCAL TAX RATES UNDER COUNTY-WIDE SPECIAL TAX

SEC. 245. *The rate in local tax or special charter districts. Whenever the maximum special county tax rate levied or to be levied under the provisions of this article is less than 50 cents, each local tax, special charter*

or special school taxing district shall have the authority to levy an additional rate, not in excess of the local tax rate voted in the district.

All indebtedness, bonded and otherwise, of said district or districts may be assumed by the county board of education; and such indebtedness, if assumed by the county board of education, shall be paid out of the special county tax levied under the provision of this article.

C. S. (III), 5666; 1925, c. 180, s. 2.

BOND ELECTIONS

SEC. 257. **Elections; how called.** Whenever the county board of education shall so petition, the board of county commissioners of any county shall order a special election to be held in any county or special school-taxing district, or in any local tax district within which a union school is maintained, for the purpose of voting upon the question of issuing bonds and levying a sufficient tax for the payment thereof for the purpose of acquiring, erecting, enlarging, altering and equipping school buildings and purchasing sites in such county or district, or for any one or more of said purposes. Said election shall be called and held under the same rules and regulations as provided in this act for "Local Tax Elections for Schools" (Article 17). The ballots to be used in said election shall have written or printed thereon the words "For the issuance of \$..... school bonds and the levying of a tax for the payment thereof," and "Against issuance of \$..... school bonds and the levying of a tax for the payment thereof." *The notice of election shall set forth the boundaries of the district, unless the district is coterminous with a county, city, town, or township, or is coterminous with a county or township except that it does not include a city, town, or township in such county or township, and the notice shall set forth either the amount or the maximum amount of bonds proposed to be issued.*

C. S. (III), 5669; Ex. Sess. 1924, c. 121, s. 3.

BOND ELECTIONS IN SPECIAL CHARTER DISTRICTS

(Section as Rewritten)

SEC. 263. **Bonds in special charter districts.** Elections may be held in special charter districts, and bonds issued and taxes levied to pay the same in the manner provided by the previous sections of this article, except as otherwise provided in this section.

(a) *In the case of every special charter district coterminous with an incorporated city or town having authority by virtue of its charter, or other special or local laws, to maintain a system of schools, the petition for the election shall be made to the principal governing body of each city or town by the board of trustees, unless said board is the principal governing body of said city or town, in which case no petition shall be necessary. But said principal governing body may, in its discretion, grant or refuse said petition. In every special charter district of the kind described in*

this subsection, all powers and duties conferred or imposed by this article on boards of county commissioners shall be exercised and performed by the principal governing body of said city or town with which the district is coterminous, but the bonds shall be sold and issued by the board of trustees in the name of the district, and shall be signed and sealed as may be provided by said board of trustees, and the proceeds derived from the sale of such bonds shall be turned over to the custodian of funds of such special charter district, who shall receive no commission for the handling of such proceeds.

(b) In the case of all special charter districts not described in subsection (a) of this section the petition for the election shall be made by the board of trustees to the board of county commissioners, which board shall call, hold and determine the result of the election as provided in this article, and the bonds shall be sold and issued by the board of trustees in the name of the district, and shall be signed and sealed as may be provided by said board of trustees, and the proceeds derived from the sale of such bonds shall be turned over to the custodian of funds of such special charter district, who shall receive no commission for the handling of such proceeds: *Provided, however, that in districts of the kind described in this subsection in which at the time any action required by this article is to be taken, the principal governing body of a city or town within or partly within the district shall be charged with the duty of levying all special school maintenance taxes for the district (although it may not be charged with the duty of levying taxes for bonds of the district), the powers and duties conferred by this article on boards of county commissioners shall be exercised and performed by said principal governing body: Provided, further, that in districts of the kind described in this subsection which lie in two or more counties, no petition shall be necessary, and the board of trustees of the district shall call, hold and determine the result of the election.*

C. S. (III), 5675; Ex. Sess. 1924, c. 121, ss. 4, 5; 1927, c. —, s. 1.

COMMISSIONERS MAY BORROW FOR BUILDING WITHOUT SUBMITTING TO VOTE OF PEOPLE (New Section as Amended)

SEC. 271. That whenever the county board of education of any county shall petition the county commissioners of said county that it is necessary in order to provide a building or buildings to carry on a six months school in their county, and the location and plans for such building or buildings as proposed has been approved by the State Superintendent of Public Instruction, the county commissioners may, in their discretion, without submitting the issue to a vote of the people, borrow such sum of money as may in their judgment be necessary to erect or repair such building or buildings, and the commissioners are empowered and authorized to issue serial notes of the county or serial bonds of the county, as provided for in section two hundred and sixty-six and section two hundred and sixty-seven, article twenty-three, chapter one hundred and thirty six, Public Laws of nineteen hundred and twenty-three: *Provided, this act shall*

not apply to the following counties: Alamance, Alleghany, Anson, Ashe, Avery, Beaufort, Bertie, Bladen, Buncombe, Burke, Cabarrus, Camden, Caswell, Catawba, Chatham, Chowan, Clay, Cumberland, Currituck, Dare, Davidson, Davie, Edgecombe, Gaston, Gates, Granville, Greene, Halifax, Harnett, Haywood, Henderson, Hertford, Hoke, Hyde, Jones, Lee, Lenoir, Lincoln, Macon, Madison, McDowell, Mecklenburg, Mitchell, Montgomery, Nash, New Hanover, Northampton, Onslow, Orange, Pamlico, Pasquotank, Pender, Perquimans, Person, Pitt, Polk, Richmond, Robeson, Rockingham, Rowan, Sampson, Scotland, Stanly, Surry, Transylvania, Tyrrell, Union, Vance, Warren, Washington, Watauga, Wilkes, Wilson, Yadkin, Yancey.

Ex. Sess., 1924, c. 120; 1925, c. —; 1927, c. —.

Alexander, Brunswick, Caldwell, Carteret, Cherokee, Cleveland, Craven, Columbus, Duplin, Durham, Forsyth, Franklin, Graham, Guilford, Iredell, Jackson, Johnston, Martin, Moore, Randolph, Rutherford, Stokes, Swain, Wake, and Wayne are the counties to which the provisions of the above act apply.

COMPULSORY ATTENDANCE

SEC. 347. Parent or guardian required to keep child in school; exception. Every parent, guardian, or other person in the State having charge or control of a child between the ages of seven and fourteen years shall cause such child to attend school continuously for a period equal to the time which the public school in the district in which the child resides shall be in session. The principal, superintendent, or teacher who is in charge of such school shall have the right to excuse the child from temporary attendance on account of sickness or distance of residence from the school, or other unavoidable cause which does not constitute truancy as defined by the State Board of Education. *The term "school" as used in this section is defined to embrace all public schools and such private schools as have tutors or teachers and curricula that are approved by the county superintendent of public instruction or the State Board of Education.*

All private schools receiving and instructing children of compulsory school age shall be required to keep such records of attendance and render such reports of the attendance of such children as are required of public schools; and attendance upon such schools, if the school or tutor refuses or neglects to keep such records or to render such reports, shall not be accepted in lieu of attendance upon the public school of the district, town, or city which the child shall be entitled to attend: Provided, instruction in a private school or by a private tutor shall not be regarded as meeting the requirements of the law unless the courses of instruction run concurrently with the term of the public school in the district and extend for at least as long a term.

C. S. (III), 5757; 1925, c. 226, s. 1.

EVIDENCE OF COMPULSORY ATTENDANCE VIOLATION

SEC. 351. **Investigation and prosecution by county superintendent and attendance officer.** The county superintendent of public welfare or chief school attendance officer or truant officer provided for by law shall investigate and prosecute all violators of the provisions of this article. *The reports of unlawful absence required to be made by teachers and principals to the chief attendance officer shall in his hands, in case of any prosecution, constitute prima facie evidence of the violation of this article, and the burden of proof shall be upon the defendant to show the lawful attendance of the child or children upon an authorized school.*

C. S. (III), 5761; 1925, c. 226, s. 2.

OBSERVANCE OF ARBOR DAY

SEC. 369. **Arbor Day.** Friday following the *fifteenth day of March* of each year shall be known as Arbor Day, to be appropriately observed by the public schools of the State. The Superintendent of Public Instruction shall issue each year a program for its observance by the school children of the State, in order that they may be taught to appreciate the true value of trees and forests to their State. The Superintendent of Public Instruction is authorized to provide a suitable program and plan of instruction to county school officials under his charge for the appropriate observance of this day.

C. S. (III), 5780 (p); 1927, c. —, s. 1.

EFFECT OF CHAPTER 95 (THE SCHOOL CODE) UPON LOCAL OR PRIVATE BOND ACTS

(New Section)

SEC. 378-a. *This act shall not affect any local or private act heretofore or hereafter enacted authorizing the issuance of bonds on other obligations for school purposes, but the powers hereby conferred and the methods of procedure hereby provided shall be deemed to be conferred and provide in addition to and not in substitution for those conferred or provided by any such local or private act, so that any district, municipality, township, county, or other political subdivision authorized to issue bonds for school purposes may proceed under any such local or private act applicable to it, without regard to the restrictions imposed by this act, or may proceed under this act, without regard to the restrictions imposed by any other act.*

1925, c. 143, s. 4.

AMENDMENTS TO THE CONSOLIDATED STATUTES*

TREASURER'S COMMISSION

3910. County treasurer. The county treasurer shall receive as compensation in full for all services required of him such a sum not exceeding one-half of one per cent on moneys received and not exceeding two and a half per cent on moneys disbursed by him, as the board of commissioners of the county may allow. As treasurer of the county school fund he shall receive such sum as the board of education may allow him, not exceeding two per cent on disbursements; and the said commissions shall be paid only upon the order of the county board of education, signed by the chairman and secretary, and the county board of education is hereby forbidden to sign any such order until the treasurer shall have made all reports and kept all such accounts required by law in the form and manner prescribed: *Provided*, that said treasurer shall be allowed no commission or compensation for receipts and disbursements of any loan or loans made to the county by the State Board of Education out of the State Literary Fund, *the special building fund, nor from funds derived from county or district bond issues*, for the building of schoolhouses: *Provided*, that in counties where the treasurer's total compensation cannot exceed two hundred and fifty dollars per annum, the treasurer may be allowed, in the discretion of the board of county commissioners and the board of education, as to the school fund, a sum not exceeding two and one-half per cent on his disbursements of all funds handled by him; but the compensation allowed by virtue of the provisions of this last proviso shall not be operative to give a total compensation in excess of two hundred and fifty dollars per annum to such treasurers.

C. S. 3910; Rev., s. 2778; Code, s. 770; 1899, c. 233; 1909, c. 577; 1913, c. 144; 1919, c. 254, s. 9; Ex. Sess. 1924, c. 121, s. 6.

STATE BOARD OF EDUCATION TO PROVIDE FOR A CONTINUOUS SCHOOL CENSUS

5435. Continuous school census. The State Board of Education is hereby directed to adopt such rules and regulations as may be necessary for taking a complete census of the school population and for installing and keeping in the office of the county superintendent in each county of the State a continuous census of the school population. The cost of taking and keeping the census shall be a legitimate item in the budget and shall be paid out of the incidental fund.

If any parent, guardian, or other person, having the custody of a child, refuses to give any properly authorized census taker, teacher, school principal, or other school official charged with the duty of obtaining the census of the school population of any district, the necessary information to enable such person to obtain an accurate and correct census, or shall knowingly and willfully make any false statement to any person duly authorized to take the school census of any district, relative to the age or the mental or physical

* Amendments are printed in italics.

condition of any child, he shall be deemed guilty of a misdemeanor and shall be fined not to exceed twenty-five dollars or imprisoned not to exceed thirty days, in the discretion of the court.

C. S. (III), 5435; 1925, c. 95, s. 1.

CHILDREN AT ORPHANAGES

5446. Children in orphanages permitted to attend public schools, expenses. Children living in and cared for and supported by any institution established or incorporated for the purpose of rearing and caring for orphan children shall be considered legal residents of said district in which the institution is located, and a part or all of said orphan children shall be permitted to attend the public school or schools of said district, and the extra expenses of teaching said children for six months in the public school or schools of said district may be borne as follows:

Three-fourths of the extra expense for a term of six months of every year, as a result of the attendance of said children, may be paid out of the State *equalizing fund* and one-fourth out of the county fund, unless otherwise provided.

Provided further that the provisions of this section shall be permissive only, and shall not be mandatory.

C. S. (III), 5446; 1927, c. —, s. 1.

DATES FOR TEACHERS' EXAMINATIONS

SEC. 5578. Dates for examination; special examinations. The second Tuesday in April of each year is hereby designated for said examinations, which may be continued from day to day for three successive days, under such rules and regulations as said board may adopt; but no examination shall commence on any other day than the first day of the period mentioned in this section, and no examination shall be held at any other time. The board may in its discretion provide for special examinations to be conducted by such persons as it may appoint.

C. S. (III), 5578; 1925, c. 181, s. 3.

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